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Quibbling Siblings: Conflicts between Trademarks and Geographical Indications

by

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QUIBBLING SIBLINGS: CONFLICTS BETWEEN TRADEMARKS AND GEOGRAPHICAL INDICATIONS

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INTRODUCTION

The relationship between trademarks and geographical indications ("GIs") has historically been tempestuous. Each of these quibbling siblings, members of the broader family of unfair competition law, entitles registrants to the exclusive use of a sign. So what happens when a GI collective and a trademark proprietor lay claim to the same sign within a single jurisdiction? In the spirit of this conference—accommodating and reconciling differences between national laws—this paper explores a newly emerging space, which just may be big enough for the both of them. The analysis is prompted by a recent World Trade Organization ("WTO") Panel Report[1] which identifies the legal foundations for cohabitation. The Report coincides with doctrinal developments at the national and regional level which initially identified this zone of compromise: the geographical "descriptive use" defense in trademark law. Coexistence is significant as it alters the dynamic of a venerable conflict between trademark and GI regimes, which has been locked in the language of trumps for several decades. Accordingly, this paper introduces the players and describes the game of one-upmanship prior to this development in Part I; outlines the WTO decision in Part II; and then draws parallels with doctrinal developments in the EU and U.S. which presaged the possibility of coexistence in Part III. It con-

* Lecturer in Intellectual Property Law, London School of Economics. I am grateful to Graeme Dinwoodie for the invitation to this Symposium at the Chicago-Kent Law School, the warm hospitality and the opportunity to present before an erudite panel and audience. This was geek heaven for the GI maven. The paper has benefited greatly from the insights of Amy Cotton, Anette Kur, and Ruth Okediji as well as from Jane Ginsburg, Frederick Mostert and Gautam Narasimhan. The usual caveat applies.

1. Panel Report, *European Communities—Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs*, WT/DS174/R (Mar. 15, 2005) [hereinafter Panel Report]. The complainant in this dispute was the United States. As part of the same proceedings, a similar complaint by Australia resulted in Panel Report, *European Communities—Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs*, WT/DS290/R (Mar. 15, 2005) [hereinafter Report WT/DS290/R]. As the reasoning was substantially the same, for the purposes of this paper, the former is referred to as the Panel Report. Documents for both can be conveniently accessed at http://www.wto.int/english/news_e/news05_e/panelreport_174_290_e.htm. All internet references are verified as of January 2, 2007.

cludes with an endorsement of coexistence as an equitable solution in the appropriate circumstances.

I. EXCLUSIVE RIGHTS: THE LANGUAGE OF TRUMPS

This paper begins by limiting its scope. Geographical indications are as close as it gets to an "essentially contested concept" in intellectual property ("IP") discourse. I intentionally bypass a discursive summary of the history and evolution of geographical indications regimes,[2] instead focusing on the implications of recent developments. More specifically, I argue against "first in time, first in right" ("FITFIR"), encapsulated as a solution for conflicts between these two categories, since the present state of play is far richer and more accommodating. Part I introduces the conflict while defining the sense in which "GI" is used in this paper. It then traces previous attempts to reconcile these two species of intellectual property, suggesting that "first in time" leads to inequitable results. Conflicts are real and have led to friction in the past. Two case studies on PARMA ham neatly capture this tension, where a prior trademark registration was the basis for successfully opposing a subsequent application by the Italian *Consorzio*. A more equitable solution is desirable since "prior trademark, subsequent GI" conflicts are inevitable in the future.

A. *Why Exclusive Rights?*

According to conventional analysis, the distilled essence of trademarks and GIs is that they both regulate the use of signs in the marketplace by enabling their communicative function. In a suitably receptive market, NIKE and DARJEELING indicate the origin of sportswear and tea respec-

2. For a comprehensive survey, see Justin Hughes, *Champagne, Feta, and Bourbon: The Spirited Debate about Geographical Indications*, 58 HASTINGS L.J. 299 (2006). The definitive account of WIPO's international conventions which framed contemporary debates is provided by 3 STEPHEN P. LADAS, PATENTS, TRADEMARKS, AND RELATED RIGHTS: NATIONAL AND INTERNATIONAL PROTECTION (1975); *see also* Amy P. Cotton, *123 Years at the Negotiating Table and Still No Dessert? The Case in Support of TRIPS Geographical Indication Protections*, 82 CHI.-KENT L. REV. 1295 (2007); Ruth L. Okediji, *The International Intellectual Property Roots of Geographical Indications*, 82 CHI.-KENT L. REV. 1329 (2007). Having considered GI controversies elsewhere, I will focus on GI-trademark conflicts for this paper. The compromises underpinning the present EU registered GI regime are considered in Dev S. Gangjee, Melton Mowbray *and the GI Pie in the Sky: Exploring Cartographies of Protection*, 3 INTELL. PROP. Q. 291 (2006) [hereinafter Gangjee, *GI Pie*]. A historically informed unpacking of the distinct messages communicated by the influential French *Appellation d'Origine* and *Appellation d'Origine Contrôlée* is attempted in Dev S. Gangjee, *(Re)Locating Geographical Indications*, *in* TRADE MARKS AND BRANDS: AN INTERDISCIPLINARY CRITIQUE (Lionel Bently, Jennifer Davis & Jane Ginsburg eds., forthcoming 2007). Finally on the contentious issue of generic use, see Dev S. Gangjee, *Say Cheese: A Snapshot of Genericide Through the Lens of* Feta, 2007 EUR. INTELL. PROP. REV. 172 [hereinafter Gangjee, *Say Cheese*].

tively.[3] Certain expectations of quality arise on the basis of that origin and this enables consumers to distinguish between these and other similar products on the marketplace.[4] Enabling the relevant public, usually consumers in such cases, to differentiate between signs on the basis of origin is a threshold requirement under the Agreement on Trade-Related Aspects of Intellectual Property Rights ("TRIPS"). For trademarks, Article 15(1) of TRIPS states that "[a]ny sign, or any combination of signs, *capable of distinguishing* the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark."[5] While for GIs, Article 22(1) stipulates that "[g]eographical 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*."[6]

However, unlike a trademarked product's commercial origin that may vary over place and time, sensitive to labour costs, outsourcing trends, and taxation fluctuations, the GI is prescriptively embedded in a particular geographical locale. Distinctiveness for a GI, used here as the ability to differentiate between similar products on the marketplace and *not* in the classical trademark sense,[7] depends explicitly on geographical origin. The "substance of the concept" of GIs is that they are "used to demonstrate a link between the origin of the product to which it is applied and a given quality, reputation or other characteristic that the product derives from that origin."[8] The connoisseur will buy (or avoid, depending on preferences) "Champagne" precisely because of its regional provenance. This geographical origin message, onto which additional information such as a traditional production method is then grafted, must be stressed as it contrasts with the

3. Commercial or trade origin for the former and geographical origin for the latter.

4. As suggested by the U.S. in its First Written Submission, ¶ 132 (Apr. 23, 2004), *reprinted in* Panel Report, *supra* note 1, annex A-2. (All Written and Oral Submissions are contained in the Annexes to Panel Report, *supra* note 1.)

5. Agreement on Trade-Related Aspects of Intellectual Property Rights art. 15(1), Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, Results of the Uruguay Round, 1869 U.N.T.S. 299, 33 I.L.M. 1197 (1994) [hereinafter TRIPS] (emphasis added).

6. *Id.* art. 22(1) (emphasis added).

7. I adopt Barton Beebe's differentiation between source distinctiveness (specifically indicating commercial origin) and differential distinctiveness (the uniqueness of a sign when compared to other signs). Trademark law has traditionally been committed to the former, whereas GIs are incapable of the former but valued for the latter. *See* Barton Beebe, *Search and Persuasion in Trademark Law*, 103 MICH. L. REV. 2020, 2028–31 (2005).

8. Word Intellectual Prop. Org., *The Definition of Geographical Indications*, at 3, WIPO Doc. SCT/9/4 (Oct. 1, 2002).

characterization proposed by Amy Cotton in her response to this paper.[9] A minor digression must be made in response.

She posits that by dint of being included within TRIPS, GIs are "intellectual property" and by implication the objects of private property rights, making producers from the region the "owners" of the GI. Based on this, she goes on to suggest that by indicating specific products, they are distinctive in a trademark sense and no longer descriptive. However the consensus seems to be that GIs fit awkwardly with conventional private property rights.[10] It is by no means clear whether a GI, in its various iterations, is the object of conventional private property rights at all. Those who contrast GI law with trademark law suggest that GIs are not property because they cannot be bought, sold, or licensed to producers outside of the region.[11] This is further developed in a debate between Professors Jim Chen and Louis Lorvellec when considering the influential French appellation regime. While the former focuses on the powerful property-like rights of producers to exclude outsiders in situations of misrepresentation or misappropriation under French appellation laws,[12] the latter argues that it is "legally inaccurate to characterize this as a perpetual property right" since the *Appellation d'Origine Contrôlée* ("AOC") "can never be privately owned, and this is where AOC law differs from intellectual property law."[13] This is reiterated in France's official response to a WTO survey, where appellations are categorically not associated with private ownership but instead characterized as a right to use.[14] In light of the argument that the economic justifications for intellectual property depend on the subject matter being freely transferable with minimum transaction costs,[15] GIs are a poor fit. A further indicator is the survey of national laws undertaken by the International Association for the Protection of Intellectual Property ("AIPPI") in

9. *See* Cotton, *supra* note 2, at 180–81.

10. There is an argument to be made that the appellation sub-species of a GI, as conceived in European law, may be a qualified type of collective or communal property. *See* Walter J. Derenberg, *The Influence of the French Code Civil on the Modern Law of Unfair Competition*, 4 AM. J. COMP. L. 1, 16 (1955) ("French jurisprudence considers the celebrity of a well-known designation of origin as a sort of community right in which all those located there may participate. In that sense, the concept of *propriété d'un nom de lieu* is recognized.").

11. JEREMY PHILLIPS, TRADE MARK LAW: A PRACTICAL ANATOMY 604 (2003).

12. Jim Chen, *A Sober Second Look at Appellations of Origin: How the United States Will Crash France's Wine and Cheese Party*, 5 MINN. J. GLOBAL TRADE 29, 38 (1996) ("The power to exclude is the power of property, and the AOC system gives that power to French farmers in abundance.").

13. Louis Lorvellec, *You've Got to Fight for Your Right to Party: A Response to Professor Jim Chen*, 5 MINN. J. GLOBAL TRADE 65, 69 (1996).

14. See the response to question seventeen in *EC Response to the Checklist of Questions: Review under Art 24.2*, IP/C/W/117/Add.10 (Mar. 26, 1999).

15. *See* WILLIAM M. LANDES & RICHARD A. POSNER, THE ECONOMIC STRUCTURE OF INTELLECTUAL PROPERTY LAW 11–36 (2003).

its response to Q.191, where the majority of respondents were clear that GI designations are not the object of private property rights.[16] This appears to be the U.S. view as well, at least as far as domestic appellations of origin for wine known as American Viticultural Areas ("AVAs") are concerned. The California Court of Appeals recently held that for the purposes of takings jurisprudence, American wine GIs in the form of certificates of label approval ("COLAs")[17] for the brand names "Napa Ridge," "Rutherford Vintners," and "Napa Creek Winery" were not private property.[18] The court held that such labels were highly regulated by the state and possessed only a part of the bundle of rights that conventionally make up property.[19] This finds parallels with the regulatory underpinnings of French wine appellation systems, summed up by Antoine Vialard:

> [The French AOC] is a legal governmental institution consisting of a distinctive, recognized symbol, controlled and protected by laws in the public interest. *This distinctive symbol is inalienable and indefeasible from the land.* It defines precise geographic areas for production as well as quality factors tied to those areas, which are under state control.[20]

Thus while GIs are located within intellectual property doctrine as distinctive signs capable of generating a commercially valuable intangible reputation, this is in a very different sense from trademark law. They are tethered to place, open to all who satisfy the conditions for production there and therefore do not easily fit within the category of private property.[21]

16. See AIPPI Working Committee, *Summary Report on Question Q191: Relationship Between Trademarks and Geographical Indications* 3 (2006), *available at* http://www.aippi.org/reports/q191/q191_summary_e.pdf. Question 2 specifically asked whether the registration of a GI confers a property right. The summary of responses indicated that "the majority of Group Reports (Australia, Belgium, Brazil, Estonia, Germany, Latvia, Luxembourg, Malaysia, Peru, Portugal, Republic of Korea, Singapore, Switzerland, and UK) note that the registration of a GI does not confer a property right. Similarly, there is generally no individual 'proprietor' or 'right holder' in these countries. A number of Group Reports (Belgium, Brazil, France, Latvia, Luxembourg, Portugal, Russia, Slovenia, Spain, Thailand) state that a GI is best seen as a public good or a collective right."

17. The regulations establishing COLAs are part of a regulatory scheme designed to protect consumers from false, misleading, or inaccurate labels and to protect competitors from unfair business practices and administered by the Alcohol and Tobacco Tax and Trade Bureau ("TTB"). Wine may not be sold or shipped in interstate commerce unless it is in conformity with COLA requirements. *See generally* 27 C.F.R. §§ 4, 13 (2006). Appellations of origin for wine are specifically regulated as one of these requirements. *See id.* §§ 4.25.

18. For the last in a long line of skirmishes between these parties, see Bronco Wine Co. v. Jolly, 29 Cal. Rptr. 3d 462 (2005). The appellant, Bronco Wine, possessed COLAs and challenged a California state law which denied its use of these labels based on a stricter standard, i.e., the wine must contain 85% of its grapes from the eponymous region instead of 75% as required by federal law. One of the arguments was that this stricter standard deprived it of a proprietary interest without compensation.

19. *Id.* at 493–96.

20. Antoine Vialard, *Regulating Quality Wines in European and French Law*, 19 N. ILL. U. L. REV. 235, 243 (1999) (emphasis added).

21. This has been echoed in several GI decisions; for example, by the Swiss Federal Court of Justice, in the context of the narrower category of appellations of origin. *See* Anheuser-Busch Inc. v. Budejovicky Budvar Narodni Podnik, [2001] E.T.M.R. 74, 82 ("The function both of trade mark protection and of protection for appellations of origin is to ensure the distinguishing function of the

This geographically descriptive core has to be engaged with when attempts are made to integrate GI collectives within the trademark system. For instance, the UK's Trade Mark Act of 1994 has a fairly standard provision to exclude geographically descriptive signs from being registered, as they lack distinctiveness in the classical trademark sense.[22] However, a special dispensation is made for certification trade marks which indicate geographical origin, precisely because secondary meaning (teaching the relevant public that the sign indicates one commercial source) doesn't apply in such collective use situations, while geographical descriptiveness remains intrinsic to the sign: "Notwithstanding section 3(1)(c) [prohibiting the registration of descriptive marks], a certification mark may be registered which consists of signs or indications which may serve, in trade, to designate the geographical origin of the goods or services."[23] The significance of this indispensable nucleus of geographical meaning becomes apparent in Parts II and III.

Returning to the notion of exclusivity, the conventional account holds that protecting the communicative integrity of trademarks and GIs serves a dual purpose. By granting exclusive rights to the sign, consumer deception or confusion as to origin is prevented, while simultaneously shielding legitimate producers against a species of unfair competition.[24] An instrumentalist account by the Chicago School is the predominant theoretical justification for this exclusivity in a marketplace characterized by information asymmetries between producers and consumers.[25] Trademarks enhance efficiency. They lessen consumer search costs by making products easier to identify in the marketplace, while encouraging producers to invest

tection and of protection for appellations of origin is to ensure the distinguishing function of the designation and to prevent mistaken attributions—whether regarding the manufacturer or the place of origin. But unlike trade marks, appellations of origin attribute the goods for which they are used not to a certain undertaking but to a country, a region or a place.").

22. Trade Marks Act, 1994, c. 26, § 3(1) (U.K.). "The following shall not be registered— . . . (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, *geographical origin*, the time of production of goods or of rendering of services, or other characteristics of goods or services . . . ." *Id.* (emphasis added).

23. *Id.* § 50, sched. 2, para. 3(1).

24. This is the standard account in Anglo-American trademark jurisprudence. *See generally* WILLIAM CORNISH & DAVID LLEWELYN, INTELLECTUAL PROPERTY: PATENTS, COPYRIGHT, TRADE MARKS AND ALLIED RIGHTS 586–87 (5th ed. 2003); 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, at ch. 3 (4th ed. 2006) (providing a detailed account of how producers and consumers benefit from the identification function of a trademark). The European Court of Justice has echoed this sentiment for GIs. *See* Case C-12/74, Commission v. Germany, 1975 E.C.R. 181, 7 ("[T]hese appellations . . . must satisfy the objectives of such protection, in particular the need to ensure not only that the interests of the producers concerned are safeguarded against unfair competition, but also that consumers are protected against information which may mislead them.").

25. *See, e.g.*, William M. Landes & Richard A. Posner, *Trademark Law: An Economic Perspective*, 30 J.L. & ECON. 265 (1987); Nicholas S. Economides, *The Economics of Trademarks*, 78 TRADEMARK REP. 523 (1988).

in improving or maintaining levels of quality by ensuring that they, and not their rivals, reap the reputational rewards of that investment. In order to preserve the communicative integrity of the sign, its use by others should therefore be restricted. The little that exists in the GI literature suggests a similar economic rationale,[26] with the added dimension of GIs exhibiting features of club goods, so the "exclusivity" is applied to a collective body. Where a collective reputation is at stake, institutional mechanisms are required to set and police standards, ensuring that otherwise competing members will cooperate to maintain quality. Otherwise in light of their functional similarity, the right to exclude others is explained by instrumentalist theory in a congruent manner.

While exclusivity sets the stage for the conflict, what triggers it is that the same subject matter—geographical signs—can be protected under both regimes. In the case of GIs, where place emphasizes uniqueness, this is self-evident. However a trademark registration system is initially hostile to geographical signs. The default position is that such signs describe the geographical origin of the product, rather than its trade or commercial origin, so they lack the requisite distinctiveness.[27] The second concern is that other traders from the place indicated may have a legitimate interest in using the sign on their own products to indicate origin.[28] Yet neither is an insurmountable obstacle. Technically, geographical signs may have never been descriptive of origin in the first place. The mere existence of a place on a map may not be sufficient for it to communicate a primarily geographical meaning to the relevant public.[29] A personal favorite is "Great-Snoring," a village in Norfolk, England[30] as a soporific illustration of a place name

26. See Org. Econ. Cooperation & Dev., *Appellations of Origin and Geographical Indications in OECD Member Countries: Economic and Legal Implications*, at 7–8, 31–34, COM/AGR/APM/TD/WP(2000)15/FINAL (Dec. 2004); Dwijen Rangnekar, *The Socio-Economics of Geographical Indications: A Review of the Empirical Evidence from Europe* 13–16 (UNCTA/ICTSD Issue Paper No. 4, 2004); William van Caenegem, *Registered Geographical Indications: Between Intellectual Property and Rural Policy—Part I*, 6 J. WORLD INTELL. PROP. 699, 709–710 (2003). However historical debates and negotiations surrounding GI protection contain a persistent strand of misappropriation prohibition logic. This does not sit comfortably with the purely communicative model espoused by law and economics analysis, at least as an accurate descriptive proposition.

27. Such broad generalizations about registered trademark regimes are possible on the basis of a recent, extensive survey of national laws. *See* World Intellectual Prop. Org., *Summary of Replies to the Questionnaire on Trademark Law and Practice*, at 80, WIPO Doc. SCT/14/5 Rev. (Nov. 1, 2005).

28. This has been a longstanding concern in several jurisdictions. *See, e.g.*, Canal Co. v. Clark, 80 U.S. (13 Wall.) 311 (1871); *York Trade Mark* [1984] R.P.C. 231 (H.L.) (U.K.); Case C-109/97, Windsurfing Chiemsee Produktions v. Boots & Attenberger, 1999 E.C.R. I-2779.

29. *See, e.g.*, *In Re* Magnolia Metal Company's Trade-Marks, (1897) 2 Ch. 371 (C.A.) (U.K.) (MAGNOLIA on metal unsuccessfully objected to on the basis of several places in the U.S. with the same name).

30. *See* Great Snoring, http://www.norfolkcoast.co.uk/location_norfolk/vp_greatsnoring.htm (last visited Jan. 2, 2007).

which wouldn't usually be understood as such. Alternatively, the sign may retain a geographical connotation, but when used in conjunction with specific goods and services it is viewed as a fanciful usage (e.g., MONT BLANC on pens or AMAZON for an online bookseller).[31] The third possibility is that a geographical term, through the producer's persistent efforts, gains an additional or secondary meaning, whereby it signifies a particular manufacturer's products.[32] Each of these routes allows a geographical sign to satisfy the distinctiveness requirement of a trademark, since the "commercial source" meaning displaces geography when applied to a particular product or service. As for the interests of other producers from the place in question, a safety valve is provided in most trademark regimes by way of the descriptive fair use exception. This entitles them to describe the geographical origin of their goods in qualified circumstances. In this unobtrusive manner, the protagonist of our piece slips on stage but hovers near the wings until Part II.

The consequence of this overlapping subject matter is that both GI and trademark regimes permit successful applicants to claim the exclusive[33] use of geographical signs. At this stage, one final clarification needs to be made. Registered trademark regimes are fairly ubiquitous but what form does the conflicting GI right take? While TRIPS is significant for finally pinning down a definition of sorts, the methods of protection are varied.[34] A longstanding difficulty for the international protection of GIs "has always been the diversity of various national concepts. Geographical indications are addressed in laws concerning unfair competition, trademarks, advertising and labeling, foods and health, as well as in special regulations."[35] This paper focuses on registered protection for GI products, either through a *sui generis* registration system, such as the EU's former Regula-

31. "Alaska" for bananas is Chief Judge Markey's oft-cited example. *See In re* Nantucket, Inc., 677 F.2d 95, 98 n.5 (C.C.P.A. 1982).

32. This too is a well-established principle. *See, e.g.*, American Waltham Watch Co. v. U.S. Watch Co., 53 N.E. 141 (1899) (WALTHAM watches); Wotherspoon v. Currie, L.R. 5 H.L. 508 (1872) (GLENFIELD starch; similar principle in the context of preventing unfair competition by passing off).

33. For GIs, this is to be understood as exclusive to the group of users who satisfy the geographical origin criteria and production specifications, as opposed to others selling similar products on the market.

34. Article 1(1) provides that members are "free to determine the appropriate method of implementing the provisions of this Agreement within their own legal system and practice." TRIPS, *supra* note 5, art. 1(1).

35. Albrecht Conrad, *The Protection of Geographical Indications in the TRIPs Agreement*, 86 TRADEMARK REP. 11, 14 (1996). For detailed surveys of the legislative variety, see A. Devletian, *The Protection of Appellations of Origin and Indications of Source*, 1968 INDUS. PROP. 107, 111–113; Council for Trade-Related Aspects of Intellectual Property Rights, World Trade Org., *Review Under Article 24.2*, IP/C/W/253/Rev.1 (Nov. 24, 2003).

tion 2081/92,[36] or else within the trademark system as collective marks or certification marks.[37] A collective mark denotes an association whose members use it to identify themselves as satisfying defined membership criteria (possibly including a geographical origin requirement) set by the association.[38] A certification mark denotes independent certification by its owner that the goods or services in relation to which it is used possess certain defined characteristics (such as being produced by traditional production methods in a defined place).[39] The following analysis primarily considers conflicts between an ordinary registered trademark and a GI registered or applied for under a *sui generis* regime such as Regulation 2081/92, or else applied for as a certification or collective mark.[40]

B. *First in Time: The Language of Trumps*

As a distinct form of internationally recognized IP, GIs are relative newcomers.[41] Writing in 1975, Stephen Ladas noted that the regulation of

36. Council Regulation 2081/92, 1992 O.J. (L 208) 1 (EC) [hereinafter Regulation 2081/92]. In light of the WTO ruling under consideration in this paper, several amendments have been carried out and it has arisen, phoenix like, as the similarly titled Council Regulation 510/2006, 2006 O.J. (L 93) 12 (EC) [hereinafter Regulation 510/2006].

37. The U.S. is a persistent advocate of GI protection within the trademark system through such group marks, both of which are defined in section 45 of the Lanham Act, 15 U.S.C. § 1127 (2000). Indications of geographical origin are specifically considered registrable in section 4. *Id.* § 1054. See, for example, the USPTO position at U.S. Patent & Trademark Office, Geographical Indications, http://www.uspto.gov/web/offices/dcom/olia/globalip/geographicalindication.htm (last visited Jan. 2, 2007); *see also* Statement of Jon W. Dudas before the Committee on Agriculture, U.S. House of Representatives (July 22, 2003), http://www.ogc.doc.gov/ogc/legreg/testimon/108f/dudas0722.htm (last visited Jan. 2, 2007) ("The United States protects geographical indications through our trademark system because, like trademarks, GIs are source-identifiers, indicators of quality, and business interests."). In Europe the possibility of registration under both the *sui generis* system as well as collective marks under the community trade mark regime remains open. For an analysis of its consequences and possible preemption issues, see Lionel Bently & Brad Sherman, *The Impact of European Geographical Indications on National Rights in Member States*, 96 TRADEMARK REP. 850 (2006).

38. For example, PROSCIUTTO DI PARMA for ham. Community Collective Trade Mark Registration No. 001116458.

39. For example, STILTON for cheese. U.S. Certification Trademark Registration No. 1959589.

40. I have reservations regarding the ability of collective or certification marks to adequately protect GI users interests. As it stands, such group trademarks are subject to the FITFIR rule, which often disadvantages producer collectives. Additionally, the scope of protection available to such marks is untested with little by way of judicial determinations regarding infringement by confusion, let alone infringement by blurring or tarnishment. The degree of exclusivity conferred is also questionable. While it works well in some cases, the certification mark for TEQUILA in the U.S. (Ser. No. 78286762) shares the register with over 270 other live registrations at the time of writing, including "Outlaw Tequila" for alcoholic mixers by a Nevada registrant and "Tux Tequila" on distilled liquor by a Californian registrant. However such trademarks remain a pragmatic alternative in the absence of *sui generis* registered GI regimes.

41. The starting point in most discussions is the indication of source, governed by Article 10 of the 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, amended Sept. 28, 1979. However the indication of source is construed as an instrument to further truth telling on labels, much in the sense that origin

these signs was the branch of IP "which was last to be recognized and protected by the municipal law of different countries."[42] Depending on one's point of view, they have languished or lurked in the interstitial spaces between principles of unfair competition law and trademark law for well over a century, maintaining a "shadowy or subterranean existence, rarely emerging in solid form."[43] By comparison, the international trademark regime is conceptually and institutionally well developed. Therefore, conflicts usually arise between a prior trademark registration and a subsequent GI application either under a *sui generis* registration system or a trademark regime. Given the similarity of function and therefore presumed epistemological backcloth for both trademarks and GIs, the principle of "first in time, first in right" has been suggested as a means of resolving such conflicts. The principle has a respectable lineage in the history of conflict resolution and is intuitively familiar from everyday experience as well. Lawrence Berger provides the example of a line forming in front of a movie theatre.[44] He notes further that the rule rests on an array of policies which are sensitive to the context in which the rule is applied,[45] leading to the rule being displaced in certain circumstances. Professor Okediji exposes the contingency of this rule in what is well beyond a response to this paper and more of a thoughtful and provocative re-examination of the constructed hierarchy between these two categories of IP.[46] Nonetheless, the ideas of priority and exclusivity are well established in intellectual property discourse.[47] Invoking Justinian's Digest, Frederick Mostert argues that "the general legal principle of *qui prior est tempore, potior est iure* or 'first in time, first in right' should be applied" as the starting point for GI-trademark conflicts.[48]

messages are mandated under consumer protection law or customs rules. It is with the appellation of origin that we encounter explicit references to the protection of a commercially valuable reputation, in the context of the 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. 197 [hereinafter Lisbon Agreement]. The latter has not enjoyed a rapturous reception, having twenty-five signatories at present.

42. 1 LADAS, *supra* note 2, at 658.

43. Norma Dawson, *Locating Geographical Indications—Perspectives from English Law*, 90 TRADEMARK REP. 590, 590 (2000).

44. Lawrence Berger, *An Analysis of the Doctrine That "First in Time is First in Right,"* 64 NEB. L. REV. 349, 350 (1985).

45. *Id.* at 354.

46. See Okediji, *supra* note 2, at 215–18.

47. As the ECJ recently observed in Case C-245/02, Anheuser-Busch v. Budejovicky Budvar, Národní Podnik, [2005] E.C.R. I-10989, ¶ 98 ("[T]he principle of the primacy of the prior exclusive right . . . is one of the basic principles of trade mark law and, more generally, of all industrial-property law.").

48. FREDERICK W. MOSTERT, FAMOUS AND WELL-KNOWN MARKS: AN INTERNATIONAL ANALYSIS 2-34 (2d ed. 2004) (footnote omitted).

FITFIR therefore continues to be projected as the optimal solution. In the words of one veteran commentator, when

> two parties claim competing rights to a trade mark, or other form of intellectual property, there are well-established processes which are used to test the validity of each party's claim in order to determine the true owner. The "first in time, first in right" maxim is one such mechanism which is widely used.[49]

A well known U.S. authority for this is *United Drug*, which establishes that as between competing claimants to the same trademark, priority of appropriation and use is the deciding factor. The underlying reason is that purchasers have come to understand the prior mark as indicating the origin of the wares and this message must be protected.[50] This principle is then upgraded to act as a steer in disputes between these two apparently functionally similar regimes. The phrase

> is a shorthand way to refer to the combined principles of priority and exclusivity. What this means is that the sign that is protected first, whether it is a trademark or a GI, shall take precedence over (principle of priority) and prevent the use of (principle of exclusivity) any conflicting subsequent sign. These two principles form the very heart of trademark law.[51]

An experienced practitioner goes on to explain that preserving the "[e]xclusivity of the prior right is the equitable solution for conflicts between intellectual property. Its strict application to the specific conflict between trademarks and geographical indications is and should continue to be the international standard."[52]

As possibly the second most controversial aspect of international GI protection,[53] this fault line has become the site of a number of contestations in recent years.[54] FITFIR can be seen in practice within the framework of the Lisbon Agreement for Appellations of Origin of 1958,[55] which insti-

49. Stephen Stern, *Geographical Indications and Trademarks: Conflicts and Possible Resolutions*, at 4, WIPO/GEO/SFO/03/13 (June 13, 2003).

50. United Drug Co. v. Theodore Rectanus Co., 248 U.S. 90 (1918).

51. Frank Z. Hellwig, *Why the Principles of Priority and Exclusivity Cannot Be Compromised—The Trademark Owner's Perspective on Geographical Indications and First in Time, First in Right*, http://www.inta.org/articles/firstintime_firstinright.html (last visited Jan. 2, 2007).

52. Burkhart Goebel, Why Should Famous TMs Deserve Greater Protection Against GIs?, AIDV Conference on the Conflict between Geographical Indications and Trademarks for Wines & Spirits 11 (Mar. 18–19, 2004).

53. The trumpeted and red carpeted primacy of generic use is undisputed. I have considered some of these controversies elsewhere. *See* Gangjee, *Say Cheese*, *supra* note 2.

54. *See generally* World Intellectual Prop. Org., *Possible Solutions for Conflicts Between Trademarks and Geographical Indications and for Conflicts between Homonymous Geographical Indications*, SCT/5/3 (June 8, 2000).

55. For further details, see World Intellectual Prop. Org., Treaties and Contracting Parties: Lisbon Agreement, http://www.wipo.org/treaties/en/registration/lisbon/ (last visited Jan. 2, 2007).

tuted an international registration system for appellations of origin ("AO")[56] administered by WIPO. One of the grounds for a signatory opposing an AO registration is that the application would prejudice pre-existing trademark rights.[57] According to WIPO records in 2000, there had been sixty-two refusals concerning fifty-one international registration applications and the reason most frequently given was the conflict with an earlier trademark right.[58] Unsurprisingly, for those who are more familiar with the trademark system, this is the preferred solution.

This represents the official U.S. position on the issue, evident from the relative configuration of trademark and GI provisions in a series of recent Free Trade Agreements ("FTAs"). In the context of the U.S.-Chile FTA, the principle received a ringing endorsement: "In general, we applaud the application of the 'first in time, first in right' principle to trademarks and geographical indications. This may serve as a useful precedent."[59]

By way of an illustration, the U.S.-Australia FTA clearly applies this principle in Article 17.2(4), which states that

> [e]ach Party shall provide that the owner of a registered mark shall have the *exclusive right to prevent* all third parties not having the owner's consent from using in the course of trade identical or similar signs, *including geographical indications*, for goods or services that are related to those goods or services in respect of which the owner's mark is registered, where such use would result in a likelihood of confusion.[60]

The issue remains a live one and FITFIR was proposed before the Committee on Agriculture of the U.S. House of Representatives in 2003.[61] As a solution, this has been recommended with varying degrees of proselytising fervor across an assortment of international platforms. While these

56. A narrower species of GI, defined in Article 2(1) 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." Lisbon Agreement, *supra* note 41, art. 2(1).

57. *See generally id.* art. 5. Additionally Rule 9(2)(iii) of the Regulations under the Lisbon Agreement states that where a refusal is based on a prior right, that could include a national, regional, or international trade mark registration for which the essential particulars must be provided.

58. World Intellectual Prop. Org., *Questions to Be Examined with a View to the Modification of the Regulations Under the Lisbon Agreement*, at ¶ 7, LI/GT/1/2 (May 10, 2000).

59. *Report of the Industry Sector Advisory Committee on Consumer Goods* (ISAC-4) on the U.S.-Chile Free Trade Agreement, at para. V(c) (Feb. 2003).

60. U.S.-Austl. Free Trade Agreement, U.S.-Austl., art. 17.2(4), May 18, 2004, T.I.A.S. No. 6422, *available at* http://www.ustr.gov/Trade_Agreements/Bilateral/Australia_FTA/Final_Text/Section_Index.html (emphasis added).

61. Contained in the written submission by Frank Hellwig, General Counsel of Anheuser-Busch Companies and whose opinion has been doubtlessly shaped by the scores of contestations over the use of "Budweiser" around the globe. *See Geographical Indications in the World Trade Organization: Hearings before the Committee on Agriculture, House of Representatives on the Status of the World Trade Organization Negotiations on Agriculture*, 108th Cong. 337–345 (2003).

take the form of non-binding statements and resolutions, they illustrate the shades of opinion in this debate. In 1994, the General Assembly of the intergovernmental International Vine and Wine Office ("OIV") adopted a resolution concerning the relationship between trademarks and geographical indications.[62] Despite alluding to the importance of priority,[63] it was one of several factors to be considered when balancing rights, such as taking account of the reputation and distinctiveness of each and providing equal protection to both. On the other hand, the International Trademark Association ("INTA") "supports the principle of 'first in time, first in right' priority when resolving conflicts between geographical indications and trademarks."[64] The support is so emphatic that INTA "unequivocally states that coexistence between a later GI and a prior trademark is not an acceptable alternative."[65] A more cautious position was adopted by the AIPPI at its 37th Congress in Rio in 1998,[66] in its resolution dealing with the issue of geographical indications (Resolution Question Q 62). This resolution built on an earlier one on the same topic, adopted in Copenhagen in 1994 (Resolution Question Q 118). While noting the FITFIR "could be a guiding principle for the resolution of conflicts,"[67] it goes on to recommend that the principle of coexistence should be applied, unless the trademark in question has acquired a prior reputation. More recently, the International Wine Law Association ("AIDV") has compiled a draft resolution,[68] which appears to give greater credence to the principle of priority[69] while keeping open the possibility of coexistence on a case-by-case basis.[70] The shaping of opin-

62. *See* OIV, *Resolution on Relationship Between Trademarks and Geographical Indications*, ECO 3/94 (1994). The full text is reproduced in MOSTERT, *supra* note 48, at app. 15.

63. *See* OIV, *supra* note 62, recital 5.

64. Int'l Trademark Assoc., *Resolution on the Protection of Geographical Indications and Trademarks* (Sept. 24, 1997), *available at* http://www.inta.org/index.php?option=com_content&task=view&id=242&Itemid=153&getcontent=3.

65. Int'l Trademark Assoc., Comments on WIPO SCT/6/3 Working Paper for the March 12–16, 2001 Conference in Geneva, at ¶ 5, *available at* http://listbox.wipo.int/wilma/sct-eforum/2001/msg00001/INTA_GI_WIPO_Comments1.19.01.protect.doc.

66. *Question Q62: Appellations of Origin, Indications of Source and Geographical Indications—Resolution*, 1998 AIPPI Y.B. 389, *available at* http://www.aippi.org (adopted at the 37th Congress of Rio de Janeiro, May 24–29, 1998).

67. *Id.* para. 1B(3).

68. AIDV, Draft Resolution on Trademarks and Geographical Indications (August 2004), *available at* http://www.aidv.org/Reims/ProgrammeReims.htm.

69. *See id.* art. 10 ("In order to ensure certainty and fairness in the market, the priority principle should be applied in the event of conflict between a trademark and a geographical indication. Priority can be established in the first instance by means of public recognition, use or the registration of a trademark or a geographical indication according to the law in a particular territory.").

70. Factors to be considered under Article 9 when permitting coexistence as the exception include "good faith or lack thereof, relative degree of public recognition, extent of relative investments, and availability of alternative designations." *Id.* art. 9.

ions is far from over and prompted by the WTO Panel Report on GIs, the AIPPI Working Committee once again reinvestigated the national approaches to this issue.[71] The AIPPI resolution concludes somewhat cautiously on this issue:

> The guiding principle for settling conflicts between trade marks and geographical indications should be the *first in time, first in right* rule (priority in use or registration)
>
> i) with the aim of avoiding practices which are liable to mislead the public or misappropriate the reputation, if any, of the protected geographical indication or trade mark; but
>
> ii) taking into account additional factors including the reputation of the geographical indication and of the trade mark, the length of time that the geographical indication and the trade mark have been used, the extent and bona fides of each such usage, the likelihood and degree of any confusion, and, if applicable, acquiescence.[72]

Intriguingly, the rule is to apply in situations of both misrepresentation and misappropriation, but this is qualified by a series of mitigating circumstances, including the extent and bona fides of such usage. Therefore even proponents of the rule often admit that it serves only as a starting point, rather than a complete code.

It would be all too easy to portray this state of affairs as symptomatic of diverging national interests. GIs are usually the latecomers at any registration party. Members of the EU who have a greater interest in GI protection advocate either the primacy of GIs regardless of priority dates[73] or coexistence as the next best alternative, while trademark owners are ably represented by INTA and U.S. governmental machinery at international debates. In the fog of war generated by this conflict, FITFIR's supporters argue that it stands as a beacon for clarity, predictability, and even handedness when resolving such disputes. This portrayal runs the risk of grossly oversimplifying the issue. As it evolved in the intellectual property context, FITFIR presumed that (a) like cases (trademark v. trademark) were being

71. *See* AIPPI, *Question Q191: Relationship Between Trademarks and Geographical Indications*, at ¶ 6 (2006), *available at* http://www.aippi.org/reports/working-guidelines/download/wg_q191_e.pdf.

72. *See* AIPPI, *Resolution on Question Q191: Relationship Between Trademarks and Geographical Indications*, at 2 (2006), *available at* http://www.aippi.org/reports/resolutions /q191_E.pdf.

73. The horror story for trademark owners is the *Torres* example. A Spanish undertaking, Miguel Torres SA was the proprietor of TORRES in Portugal since 1962. Subsequently, in the 1990s the Portuguese government registered "Torres" and "Torres Vedra" as GIs, pursuant to Regulation 2392/89 on wine labeling, for a valley north of Lisbon which the government claimed was a traditional wine growing region. The consequence of this would have been the cancellation of the trademark. After intensive lobbying, the European Commission amended the Regulation so that the trade marks were allowed to coexist with wine from the Torres Vedras region. *See* A.G. Skol, *Geographical Indications and International Trade*, WIPO Doc. WIPO/GEO/SFO/03/15 (June 20, 2003).

considered (b) within a single jurisdiction. Neither of these aspects maps neatly onto the types of disputes under consideration here.

Despite their apparent functional similarity to trademarks, GIs are ontologically distinct beasts. Unlike trademarks which guarantee consistent quality, GI specifications represent customary "best practices" which have evolved over time to ensure very specific standards of quality. The products referenced are frequently artisanal, usually from rural regions and produced according to collectively evolved traditional methods.[74] GIs serve as a vector for implementing a raft of goals relating to agricultural policy,[75] rural development,[76] and in some cases, helping to preserve the cultural heritage.[77] These considerations result in a *sui generis* GI protection framework which has relatively stronger levels of producer protection when compared to trademark law. The justifications for GI protection are not restricted solely to preserving communicative clarity in the marketplace, but respond to these additional policy concerns and recognize intergenerational knowledge and investments in production methods. Several European national regimes view GIs as a collective right to use, requiring governmental oversight and which cannot be licensed or transferred out of

74. Epitomized by the longstanding "*usages locaux, loyaux et constants*" requirement in French appellation law. *See, e.g.*, Article 1 of the Loi du 6 Mai 1919 Relative à la Protection des Appellations d'Origine, Journal Officiel de la République Française [J.O.] [Official Gazette of France], Mai 18, 1919, p. 4726, *available at* http://www.wipo.int/clea/docs_new/pdf/fr/fr/fr030fr.pdf.

75. As part of a strategic transition in its Common Agricultural Policy, the EU is shifting the emphasis from quantity to quality and GIs play an important part in this. Recital 3 to Regulation 510/2006 states that "[a] constantly increasing number of consumers attach greater importance to the quality of foodstuffs in their diet rather than to quantity. This quest for specific products generates a demand for agricultural products or foodstuffs with an identifiable geographical origin." Regulation 510/2006, *supra* note 36, recital 3. This connects to a larger, integrated strategy to raise the profile of such products, on the basis of their quality. *See, e.g.*, Council Regulation 2826/2000, art. 2, 2000 O.J. (L328) 2, 3 (EC). It also figures significantly in the EU's priorities at the WTO Agricultural Negotiations. *See* European Communities Proposal, *Food Quality—Improvement of Market Access Opportunities*, G/AG/NG/W/18 (June 28, 2000).

76. *See* Council Regulation 510/2006, *supra* note 36, recital 2 ("The promotion of products having certain characteristics can be of considerable benefit to the rural economy, particularly in less-favoured or remote areas, by improving the incomes of farmers and by retaining the rural population in these areas."). It also finds resonances in Article 24b of Council Regulation 1783/2003, 2003 O.J. (L270) 70, 74. This has resulted in government sponsored initiatives such as "Eat the View" in the UK, which attempt to promote sustainable local products. *See* Eat the View, http://www.countryside.gov.uk/LAR/Landscape/ETV/index.asp (last visited Jan. 2, 2007).

77. This significantly informs policy making in the EU. *See* Franz Fischler, Quality Food, CAP Reform and PDO/PGI, SPEECH/04/183 (Apr. 17, 2004) ("Products with a history, which have withstood the passing of time, which form part of Europe's heritage, and with their own specific characteristics linked to the environment and know-how are very valuable assets. Such products are, if you like, part of our identity, our culture and our traditions, and consumers are used to recognising specific foods, or drinks, by the name of the area in which they are produced."). In addition, see the opinion of Advocate General Ruiz-Jarabo Colomer considering FETA in Case 317/95, Canadene Cheese Trading v. Hellenic Republic, 1997 E.C.R. I-4681, at ¶¶ 10, 13. ("Cheese forms part of western food and culture," and "[c]onsequently there is no doubt as to the importance of cheese in Mediterranean civilization.").

the region.[78] To this extent, protecting GI producers is also about preserving material aspects of heritage, rural landscapes, and perhaps even a sense of regional or national identity. These savoir faire and heritage dimensions are extraneous to trademark law, being more closely aligned with the kinds of inputs associated with patents or copyright.

Yet trademark doctrine has historically maintained principled boundaries with the creative/inventive species of IP.[79] While there may be very sound reasons for doing so—innovation should be rewarded by the patent system through a limited monopoly and not via trademark law[80]—collective, intergenerational GI products never had the luxury of patent, copyright, or design rights protection.[81] Therefore protecting the symbols which represent this multifaceted investment is a viable compromise solution. This by no means stifles competition, for "Serrano" from Spain,[82] varieties of German "Speck," "Jambon de Bayonne" from France,[83] and individually branded products all compete with Italy's "Proscuitto di Parma" in the market for regional dried hams, but each should be allowed to tell its own story. A GI designation is also open to anyone who satisfies the product specifications and several brands exist within appellation regions. When it comes to international protection, GIs have already done the hard work of building national reputations, often over centuries, and preserving their *potential* to communicate this message elsewhere is what has driven international negotiations, rather than preserving the coherence of an

78. *See* Jose Manuel Cortes Martin, *The WTO TRIPS Agreement—The Battle between the Old and the New World over the Protection of Geographical Indications*, 7 J. WORLD INTELL. PROP. 287, 309 (2004) ("GIs and trademarks are inherently different intellectual property rights. The requirements applied to certification marks are much simpler than those applied to GIs which are much more precise when demanding that the particular characteristics of a product or its reputation are tied to a determined geographic area."); *see also* Florent Gevers, *Geographical Names and Signs Used as Trade Marks*, 1990 EUR. INTELL. PROP. REV. 285, 286; Leigh Ann Lindquist, *champagne or Champagne? An Examination of U.S. Failure to Comply with the Geographical Provisions of the TRIPS Agreement*, 27 GA. J. INT'L & COMP. L. 309, 311 (1999).

79. The schism has a constitutional basis in the U.S. *See* Trade-Mark Cases, 100 U.S. 82, 94 (1879). In the UK, one of the initial objections to trademarks being included within the IP canon was that while the law of patents or copyright was concerned with the creation and protection of property, trademark law merely sought to prevent fraud. BRAD SHERMAN & LIONEL BENTLY, THE MAKING OF MODERN INTELLECTUAL PROPERTY LAW: THE BRITISH EXPERIENCE, 1760–1911, at 171 (1999); *see* Singer v. Loog, LR 8 Ch.D. 395, 412 (1880) (James, L.J.) (holding that trade marks are not property in sense of patents and copyrights).

80. Traffix Devices, Inc. v. Marketing Displays, Inc., 523 U.S. 23, 34–35 (2001).

81. On the mismatch between traditional knowledge and mainstream IP regimes, see generally WORLD INTELLECTUAL PROP. ORG., INTELLECTUAL PROPERTY NEEDS AND EXPECTATIONS OF TRADITIONAL KNOWLEDGE HOLDERS: REPORT ON FACT-FINDING MISSIONS ON INTELLECTUAL PROPERTY AND TRADITIONAL KNOWLEDGE (2001), *available at* http://www.wipo.int/tk/en/tk/ffm/report/index.html.

82. *See* Serrano, http://www.consorcioserrano.com/index-uk.php (last visited Jan. 2, 2007).

83. This has Protected Geographical Indication status. *See* Jambon de Bayonne, Produit Certifié, http://www.jambon-de-bayonne.com/boutique/en/pages/certif.htm (last visited Jan. 2, 2007).

existing message which trademark law or even consumer protection law can achieve.[84]

Moreover the territorial extent of GI protection has been limited by the reach of sovereignty. The point was explicitly made in the European *Feta* litigation, where the relative helplessness of Greek authorities and producers to prevent the use of "Feta" by producers (as distinct from consumers) outside Greece's borders was acknowledged by the ECJ.[85] In a global marketplace, the paradigm trademark-GI conflict involves a trademark proprietor in country *A* encountering a GI collective originally from country *B* making its debut in country *A*. This suggests that neither may be leaning on the other's reputation to begin with and each could have independently developed goodwill. Given the finite number of desirable commercial signs and the growing ease with which signs can be registered as trademarks, a rigidly acontextual, ahistorical solution such as FITFIR is both unappealing and unsustainable. The sanctity of this principle has been questioned even within the context of U.S. trademark law:

> A fundamental principle of trademark law is first in time equals first in right. But things get more complicated when to time we add considerations of place, as when one user is first in time in one place while another is first in time in a different place. The complexity swells when the two places are two different countries . . . .[86]

The concept of territoriality is the foundation upon which FITFIR rests.[87] Yet "first" in one jurisdiction ignores developments in others, specifically developments in the country the product originally took on its regional name. In a world where markets are merging and the territorial reach of intellectual property rights is increasingly negotiated and reshaped,

84. It is not possible here to develop further the arguments in favor of GI protection beyond preserving an existing communicative message. If this was solely about preserving pre-existing consumer expectations by ensuring truth telling as to origin or quality, then standard consumer protection and labeling laws would be sufficient. However there is an admittedly contentious "misappropriation" strand to GI debates, which accounts for the levels of protection for wines found in Article 23 of TRIPS. This does not require misleading or confusing use to trigger infringement.

85. Joined Cases C-289/96, C293/97 & C-299/96, Kingdom of Denmark, Federal Republic of Germany & French Republic v. Comm'n, 1999 E.C.R. I-1541, at ¶ 69 ("[T]he Hellenic Republic was only in a position to protect the name 'Feta' within its frontiers, subject to concluding bilateral or multilateral conventions.").

86. Grupo Gigante S.A. de C.V. v. Dallo & Co., 391 F.3d 1088, 1093 (9th Cir. 2004). This is not an isolated instance. In other situations, such as the conflict between a national and a local trademark, courts have qualified this principle. *See* Little Caesar Enter. Inc v. Pizza Caesar Inc., 834 F.2d 568, 572 (6th Cir. 1987) ("First in time is not always first in right, where trademark law is concerned, but it seems to us that priority of use may have some bearing on the likelihood of confusion.").

87. For an extended treatment which unpacks the various policies underpinning territoriality, see Graeme B. Dinwoodie, *Trademarks and Territory: Detaching Trademark Law from the Nation-State*, 41 HOUS. L. REV. 885 (2004).

FITFIR appears a remarkably inequitable and simplistic solution.[88] When combined with the insight that trademarks and GIs do not possess complete functional equivalence, this leads an impassioned critic to suggest that "it defies common sense and simple logic to transpose rules which have been developed and refined within the contexts of different legal categories up into the higher level problem of conflicts between the two categories."[89]

It may therefore be counterproductive to advocate the language of trumps as the universal or even principal solution, as the following two case studies illustrate.

C. *Finely Sliced Distinctions?*

Two very similar disputes concerning attempts to register PARMA ham conveniently capture the inequity arising from FITFIR, as opposed to coexistence, as a solution. In each case, the conflict arose within the registered trademark system. The applicant in both cases, the *Consorzio*, was founded in 1963 by twenty-three *prosciutto* producers located in Parma, Italy who manufactured this distinctive ham.[90] It had grown to include over two hundred members around the time of these disputes. It attempted to register a certification or collective mark but found a similar sign already existed on the trademark register for the same or similar products. In both, a coexisting registration was also finally achieved. This is therefore not a tale of sour grapes or binary choices. These decisions are illuminating because they demonstrate the possibilities of doctrinally developed safe havens within the existing law that permit coexistence.

1. Parma in the U.S.

The *Parma Sausage* case[91] in the U.S. showcases the legitimacy of claims on both sides. The term PARMA BRAND and the associated design

88. A point elaborated upon by Stephen Stern, Geographical Indications and Trademarks: Conflicts and Possible Resolutions, AIDV Conference on the Conflict between Geographical Indications and Trademarks for Wines & Spirits (Mar. 18–19, 2004), *available at* http://www.aidv.org/ Reims/4-2%20Steven%20Stern.doc.

89. Douglas Reichert, Practical Comparisons of GIs and TMs: Are Conflict Rules for GIs or TMs (such as "First in Time") Applicable in Conflicts Between These Two Types of IPRs, or Not?, AIDV Conference on the Conflict between Geographical Indications and Trademarks for Wines & Spirits 4 (Mar. 18–19, 2004), *available at* http://www.aidv.org/Reims/1-3%20Douglas%20Reichert.doc.

90. The ham's distinctiveness is claimed to be due to the air-drying technique used in this region. "The air here is unique, dry and sweet-smelling with aromatic breezes from the Apennine mountains creating perfect environmental conditions for a natural 'drying' of the hams." *See* Parma Ham Consortium, Geography & History, http://www.prosciuttodiparma.com/eng/geography/tradition/ (last visited Jan. 2, 2007).

91. Consorzio del Prosciutto di Parma v. Parma Sausage Products Inc., 23 U.S.P.Q.2d (BNA) 1894, 1992 WL 233379 (T.T.A.B. 1992).

had been registered in 1969, for "meat products—namely, sausage, salami, capicollo, prosciutto and lunch meats" and at the relevant time was owned by Parma Sausage Products, Inc., a Pennsylvania corporation. Subsequently, the *Consorzio* applied for three certification marks, "Parma Ham," "Prosciutto di Parma," and "Parma" with the ducal crown design in 1984. Based on the prior registration, the application was rejected under section 2(d) of the Lanham Act.[92] Here, rigid interpretations initially overrode negotiated compromises. Despite an agreement between the parties where "prosciutto" was removed from the respondent's portfolio of products registered under PARMA BRAND and the consensus that the arrangement would not lead to any confusion, the examiner nevertheless rejected the certification mark applications. This left the *Consorzio* with no alternative but to challenge the prior trademark, and they argued that PARMA BRAND was geographically deceptive within the meaning of section 2(a), because the respondent used the mark with the intent to deceive the public into believing that its products originated in Parma, Italy.

The Trademark Trial and Appeal Board's ("TTAB") analysis portrays the merits on each side. On the one hand, commercial production of Parma ham in the eponymous region dated back to the late nineteenth century. The *Consorzio* was established in 1963 to "monitor, standardize and protect the production of prosciutto di Parma. . . . [and had] as members more than 200 producers of prosciutto, who are located in the Parma region of Italy."[93] In 1970 the Italian government passed a law restricting the use of the name to ham having certain qualities relating to its place of origin and production methods. Regulations were subsequently issued specifying these qualities and processes in great detail, and the petitioner's function was to oversee that the use of the name was restricted to such deserving products. Attempts to establish the ham's reputation in the U.S. then suffered an unforeseen setback. Due to an outbreak of African swine flu in the late 1960s the U.S. government banned the importation of pork products from Italy. The ban was finally lifted in 1989, accompanied by significant publicity and rising sales in the period 1989–1990.[94] On the other hand, the respondent's company was started in the mid 1950s and the proprietor was formerly a native of Parma, Italy. The name was therefore adopted in honor of

92. Lanham Act, 15 U.S.C. § 1052(d) (2000). An application will be refused if it

> [c]onsists of or comprises a mark which so resembles a mark registered in the Patent and Trademark Office, or a mark or trade name previously used in the United States by another and not abandoned, as to be likely, when used on or in connection with the goods of the applicant, to cause confusion, or to cause mistake, or to deceive.

Id.

93. *Parma Sausage*, 1992 WL 233379, at *2.

94. *Id.* at *3.

is hometown. However, all pork products were made in the U.S. from J.S.-sourced meat.

In these circumstances, the TTAB was faced with a stark choice. In re- ecting the challenge on the basis of geographical deceptiveness, the Board roceeded in a systematic manner, while acknowledging the incongruities iis resulted in. In order to succeed, the *Consorzio* had to prove the follow- ng:

(1) The registered mark was "geographically deceptively misdescrip- ive," i.e., the term communicated a known and specific geographical ori- in, there was a goods-place association in the minds of the relevant public or this place of origin and that the goods did not in fact originate in this lace.

(2) The misdescription was material, i.e., likely to affect the cus- omer's purchasing decision.[95] Given the *Consorzio's* re-entry onto the merican market, the associations between Parma ham and Italy would nevitably increase. Over time the individual trademark would tend towards eceptiveness, so the crucial issue was this: "This case hinges on the legal uestion of the time as to which geographic deceptiveness must be estab- ished, i.e., the date the registration issued or the time of trial."[96]

There was insufficient evidence to establish that the *Consorzio*'s roduct had established a goods-place association prior to 1989, and the Board went on to hold that the operative date to establish geographic de- eptiveness should be the date of registration, in this case August 26, 1969. Therefore as of this date, the mark was not deceptive.

While acknowledging the growing reputation and distribution of the *Consorzio*'s ham, the TTAB noted that their reasoning could lead to "what eems, at first, an anomalous result, namely that, even though a mark were o be proven to deceive the public at the present time, a registration of the nark cannot be cancelled by the Board."[97] However when viewed in the ontext of the broader statutory framework and drafting history, the legisla- ive provision sought to balance the proprietary interests of a trademark wner against the public interest in preventing deception. The Board also cknowledged that it was the *Consorzio*'s own publicity campaign that had aised the possibility of deceptiveness and brought about the present, omewhat paradoxical, state of affairs. Its conclusion reveals the difficul- ies in trying to choose between claims in such cases:

95. *Id.* at *4.
96. *Id.*
97. *Id.* at *6.

> We candidly acknowledge that this case has presented us with a difficult situation to resolve. On the one hand, petitioner has expended great efforts to promote prosciutto from Parma, and has apparently developed a world-wide reputation for this product. It also has extensively used and promoted certification marks containing the word PARMA and is faced with not being able to register them in the United States because of respondent's registration. Further, the absence of prosciutto di Parma from the United States market for 22 years was not petitioner's fault, and indeed was a situation which it sought vigorously to change. On the other hand, respondent has used its PARMA BRAND mark for more than 35 years, and has owned a registration for it for more than 20 years. At the time it adopted and at the time it registered its mark, PARMA BRAND and design was neither geographically deceptively misdescriptive nor geographically deceptive.[98]

The Board concluded that in these circumstances, it would be more equitable to favor the respondent. On a more upbeat note, the post-script to this tale is that the *Consorzio* did manage to register their marks[99] while the respondent's mark continues to exist on the register.[100]

2. Parma in Canada

The Canadian *Parma* dispute[101] proceeds along very similar lines. PARMA was initially registered in 1971 for use in association with various meat products including prosciutto, salami, pepperoni, and dry sausage. The application for registration stated that the mark had been in use since 1958. The respondent, Maple Leaf Meats, acquired the trademark in 1997 through a valid assignment. When the *Consorzio* attempted to register its collective mark, preliminary objections were raised on the basis of the preexisting trademark for PARMA,[102] once again compelling it to file suit to expunge the mark. Here, too, a key argument was that the registered PARMA mark was "deceptively misdescriptive," along with the argument that it lacked distinctiveness at the time of registration in 1971 under sections 18(1) and 12(1)(b) of the Canadian Trademark Act.[103] This was dismissed by McKeown, J.:

98. *Id.* at *11.

99. *See, e.g.*, PROSCIUTTO DI PARMA (Reg. No. 2014629); PARMA HAM (Reg No 2014628). The basis was use in commerce and incontestability after a five-year period.

100. PARMA BRAND (Reg No 0875721).

101. Consorzio del Prosciutto di Parma v. Maple Leaf Meats Inc. (*Maple Leaf*), [2001] F.C. 536 (Fed. Ct.). The decision was upheld by the Federal Court of Appeals in Consorzio del Prosciutto di Parma v. Maple Leaf Meats Inc., [2002] F.C.A. 169.

102. Details can be found in the EU report PAOLO GARZOTTI & ELISABETH CAVARERO, REPORT TO THE TRADE BARRIERS REGULATION COMMITTEE: TBR PROCEEDINGS CONCERNING CANADIAN PRACTICES AFFECTING COMMUNITY EXPORTS OF *PROSCIUTTO DI PARMA* (1999), *available at* http://ec.europa.eu/trade/issues/respectrules/tbr/cases/can_pro.htm.

103. Trade-marks Act, R.S.C. 1985, c. T-13 (1985).

> Essentially, the Applicant attempts to show that the use of the "PARMA" trade-mark leads consumers to believe that the prosciutto packaged under that name comes from Parma, Italy and is the high-quality product of the rigorous standards employed by the Consorzio del Prosciutto di Parma. I do not accept that, at the time of the registration of the Respondent's mark, many Canadians were exposed to the idea that Parma was a city in Italy and that this city was a source of high quality prosciutto, nor any of the various other meat products listed on the trade-mark registration.[104]

Maple Leaf and its predecessors in title had been using the trademark for over twenty-six years[105] and the applicant did not satisfy the requirements of proving the mark either "deceptively misdescriptive" or not distinctive at the time of its registration. The distinctiveness of a trade-mark had to be measured in the Canadian marketplace alone and at the time of filing for the prior mark. Upon the evidence, Parma did not have sufficient Italian connotations at the relevant time, despite factors such as the get up of the product featuring the colors red, white, and green and words taken from the Italian language.[106]

This dispute also has a footnote. In attempting to find a balance, the Canadian Trade Mark Office recognized the *Consorzio*'s "Ducal Crown" as an official mark under section 9 of the Canadian Trademarks Act through a public notice.[107] This decision was challenged by Maple Leaf Meats,[108] which questioned both the *Consorzio*'s status as a public authority[109] and the validity of the notice. However, Maple Leaf was unsuccessful as the court found that they lacked the statutory basis on which to challenge this, leading once again to coexistence on the register.

These disputes manifestly illustrate that there are often legitimate interests on both sides of the divide and that despite the language of trumps,

104. *Maple Leaf*, [2001] F.C. ¶ 11.

105. This accumulation of a proprietary interest is noted in the judgment and was obviously a significant consideration. *Id.* ¶¶ 9, 22.

106. *Id.* at ¶ 34.

107. The relevant parts of section 9(1) read,

> No person shall adopt in connection with a business, as a trade-mark or otherwise, any mark consisting of, or so nearly resembling as to be likely to be mistaken for, . . .
>
> (n) any badge, crest, emblem or mark . . .
>
> (iii) adopted and used by any public authority, in Canada as an official mark for wares or services, in respect of which the Registrar has, at the request of Her Majesty or of the university or public authority, as the case may be, given public notice of its adoption and use . . . .

Trade-marks Act, R.S.C. 1985, c. T-13, § 9(1) (1985).

108. Maple Leaf Meats Inc. v. Consorzio del Prosciutto di Parma, [2001] F.C. D-54 (Fed. Ct.), *available at* http://decisions.fct-cf.gc.ca/fct/2000/t-647-98.shtml.

109. The challenge was essentially whether a foreign commercial trade organization which trades for profit could be a "public authority." This was countered by the argument that the real test was whether a sufficient degree of governmental control over the *Consorzio* existed and it arguably did in this case. For GI collectives, this decision has significant ramifications.

in practice spaces already exist within the trademark system to accommodate coexistence. These flexibilities will be needed in the years ahead. As the *sui generis* GI model crystallizes, its potential to address developmental concerns and help to stem the global rural exodus is being taken seriously.[110] Regional producer communities have begun the process of coalescing around GIs, establishing acceptable production standards and, perhaps more controversially, defining the acceptable boundaries of production.[111] In this time of flux, traditional products are wide open to preemptive trademark registrations in important markets. A relevant example is Kobe beef from Japan. It has already been registered as a trademark by producers based outside of Japan in the U.S., Australia, and Canada.[112] I therefore cannot share Professor Kur's optimism that "there is little evidence anyhow that conflicts between trademarks and GIs are likely to occur in a conspicuous number of cases."[113] Moving beyond the understandably Eurocentric bias in GI law, developing countries' producers stand to lose by a rigid FITFIR rule. In early 2007 the International Alpaca Association, representing Peruvian breeders and those producing fibres from alpacas and llamas, objected to an application by a U.S. farm to register ALPACAMARK[114] as a certification mark.[115] Another illustration is provided by MALABAR, recently registered for a wide range of foodstuff including pepper in the UK,[116] when "Malabar Pepper" has been applied

110. *See* Rangnekar, *supra* note 26; BIODIVERSITY AND LOCAL ECOLOGICAL KNOWLEDGE IN FRANCE (Laurence Bérard et al., 2006). The EU has also commissioned an extensive project to coordinate diverse strands of research on GIs, including empirically testing for economic benefits. *See generally* SINER-GI Project, http://www.origin-food.org/ (last visited Jan. 2, 2007). I conducted a rough-and-ready empirical survey of over 5,000 U.S. Certification Mark registrations in August 2005, revealing the existence of significant numbers of registrations for U.S. agricultural products and foodstuffs. *See, e.g.*, "Jersey Fresh from the Garden State" (78444238); "Pride of New York" (76580496); "A Taste of Iowa" (75645360); "Wisconsin Real Cheese" (73752381); "California Butter" (76318515); "Idaho Potatoes Grown in Idaho" (76542376, 76542380); "Guaranteed Louisiana Origin Sweet Potatoes Yams" (75439882); "Kula & Maui" [Onions from Hawaii] (74342317, 74342316); "Vidalia" [Fresh onions from Georgia] (74026870); "Iowa 80" [Beef] (78532952); "Bristol Bay Wild Salmon" (78119689).

111. As illustrated by applications at India's GI Registry. Products mentioned in the official GI Journal reveal that handicrafts in particular are being registered. Fixing boundaries for "cultural" as opposed to "agricultural" artifacts is far more contentious.

112. These registrations are considered in DEV GANGJEE, PROTECTING GEOGRAPHICAL INDICATIONS AS TRADEMARKS: THE PROSPECTS AND PITFALLS (2006), *available at* http://www.lse.ac.uk/collections/law/ staff/dev-gangjee.htm#reports.

113. *See* Annette Kur, *Quibbling Siblings—Comments to Dev Gangjee's Presentation*, 82 CHI.-KENT L. REV. 1317 (2007).

114. U.S. Trademark Serial Nos. 78425026, 78708488.

115. *International Alpaca Association: (IAA) Opposes U.S. Certification Mark Registration*, PIIPA Q. (Pub. Interest Intell. Prop. Advisors, Washington, D.C.) Jan. 2007, at 2, *available at* http://www.piipa.org/newsletter_Jan07.pdf.

116. UK Trademark No. 2413954.

for as a geographical indication in India.[117] As the "Parma ham" case studies illustrate, opposition or revocation actions are expensive and uncertain. It would be unreasonable to suggest that FITFIR is to prevail even in such GI-squatting situations and alternatives now exist as a consequence of the Panel Report.

II. THE WTO PANEL REPORT: AN UNLIKELY HARMONIZER

The WTO dispute was initiated by the U.S. in June 1999, over concerns regarding EC Regulation 2081/92 ("Regulation"). The essence of the dispute was summarized in the initial request for consultations and remained constant:

> 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 . . . .[118]

Despite consultations between 1999 and 2003, these central concerns remained unaddressed and were again echoed, with some variations, in the Australian request in 2003.[119] The Regulation initially provided that only parties *within* Member States could apply for a GI registration or oppose one in the EC and that only the rights of prior *registered* trademark owners would remain unaffected by the registration of a conflicting GI. This position was practically indefensible, so the EC amended the Regulation in 2003[120] to allow for applications as well as objections to registrations from non-Members, while also catering to the interests of the owners of prior unregistered marks. The U.S. and Australia considered the opening of the EU regime to non-Members to be mere tokenism in light of the requirements stipulated in Article 12(1) of the Regulation as it existed. The Regulation would apply to agricultural products and foodstuffs from non-Members provided that

> —the third country is able to give guarantees identical or equivalent to those referred to in Article 4,
>
> —the third country concerned has inspection arrangements and a right to objection equivalent to those laid down in [this Regulation],

117. Presently pending as Application No. 49 before the Geographical Indications Registry, India.
118. *Request for Consultations by the United States*, WT/DS174/1 (June 7, 1999).
119. *Request for Consultations by Australia*, WT/DS290/1 (Apr. 23, 2003).
120. Council Regulation 692/2003, 2003 O.J. (L 99) 1 (EC).

—the third country concerned is prepared to provide protection equivalent to that available in the Community to corresponding agricultural products for foodstuffs coming from the Community.[121]

In effect, the EU was attempting to export its *sui generis* legal model by asking for a mirror image of reciprocal and equivalent protection before granting legal protection in Europe. The Panel broadly agreed with the U.S. and Australia that this was indeed the case and therefore impermissible.[122] However, what is of far greater interest for the purposes of this paper is the trademark claim. The provision under scrutiny was Article 14(2) of the Regulation:

> With due regard for Community law, *use of a trade mark* corresponding to one of the situations referred to in Article 13 [infringement of a registered GI] which was registered in good faith before the date on which application for registration of a designation of origin or geographical indication was lodged *may continue notwithstanding the registration of a designation of origin or geographical indication*, where there are no grounds for invalidity or revocation of the trade mark [under the relevant provisions of the EC Trademark Directive].[123]

This effectively provides for coexistence between a prior registered trademark and a subsequent GI registration in situations of conflict. In the Report, the Panel used coexistence as shorthand for "a legal regime under which a GI and a trademark can both be used concurrently to some extent even though the use of one or both of them would otherwise infringe the rights conferred by the other."[124]

Australia and the U.S. argued that Article 14(2) of the Regulation was in breach of Article 16(1) of TRIPS by allowing the coexistence of a later GI with an earlier registered trademark. They claimed that Article 16(1) requires Members to give owners of registered trademarks the exclusive right to prevent confusing uses of similar or identical signs by all third parties.[125] An assortment of arguments was deployed to buttress this claim. The U.S. argued that coexistence necessarily connotes that a trademark

121. Council Regulation 2081/92, *supra* note 36, art. 12(1).

122. The arguments are canvassed at length in Part B of the Panel Report, *supra* note 1, at 24–114. For a convenient summary, see Michael Handler, *The WTO Geographical Indications Dispute*, 69 MOD. L. REV. 70, 72–74 (2006); G.E. Evans & Michael Blakeney, *The Protection of Geographical Indications After Doha: Quo Vadis?*, 9 J. INT'L ECON. L. 575, 595–602 (2006).

123. Council Regulation 2081/92, *supra* note 36, art. 14(2) (emphasis added).

124. Panel Report, *supra* note 1, ¶ 7.514.

125. Article 16(1) reads,

> The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed.

TRIPS, *supra* note 5, art. 16(1).

owner lacks "the ability to exercise the exclusive right that lies at the heart of his trademark right."[126] GIs, as indications, fit within the ambit of similar or identical signs in Article 16(1).[127] Furthermore, any exception to an obligation had to be clearly spelled out,[128] as did any compromise between rights.[129] In light of preserving the function of a trademark—to indicate origin and quality—exclusivity was therefore necessary.[130] Similar arguments were proposed by Australia to demonstrate that trademark exclusivity was compromised.[131]

In its response,[132] the EC claimed that prejudice to the trademark owner's interest was avoided by Article 14(3) of the Regulation. This prevents the registration of a GI where, in light of an earlier trademark's "reputation and renown and the length of time it has been used," such registration would be liable to mislead consumers.[133] This was always a questionable defense as this provision applied only to a subset of trademarks with the necessary high profile.[134] More plausibly, the EC suggested that coexistence was permissible under Articles 24(5)[135] and Article 24(3)[136] of TRIPS. As Article 24(5) specifically preserves the validity and *right to use* a grandfathered prior trademark where a subsequent GI was registered, this

126. U.S. First Written Submissions, *supra* note 4, ¶ 134.

127. *Id.* ¶ 139.

128. *Id.* ¶ 142.

129. *Id.* ¶ 143.

130. EU and U.S. case law was relied upon to develop this argument. *Id.* ¶¶ 145–50.

131. First Written Submission of Australia, ¶¶ 88-107 (Apr. 23, 2004), *reprinted in* Report WT/DS290/R, annex A-2.

132. First Written Submission of the European Communities, ¶¶ 268-338 (May 25, 2004), *reprinted in* Panel Report, *supra* note 1, annex B-2; *also reprinted in* Report WT/DS290/R, *supra* note 1, annex B-2, 70–97.

133. *Id.* ¶ 90(3). Article 14(3) reads, "A designation of origin or geographical indication shall not be registered where, in the light of a trade mark's reputation and renown and the length of time it has been used, registration is liable to mislead the consumer as to the true identity of the product." Council Regulation 2081/92, *supra* note 36, art. 14(3).

134. For primarily this reason, the argument did not convince the Panel. *See* Panel Report, *supra* note 1, at 118–29.

135. Article 24(5) reads,

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

TRIPS, *supra* note 5, art. 24(5).

136. This is a stand-still provision, which reads, "In implementing this Section, a Member shall not diminish the protection of geographical indications that existed in that Member immediately prior to the date of entry into force of the WTO Agreement." *Id.* art. 24(3).

suggested that other rights could be modified such as the *right to exclusive use* in Article 16(1). Coexistence would not affect the right to use, merely the ability to exclusively use. Although invited down this avenue, the Panel refused to explore it further. It concluded that there was insufficient material to "imply in Article 24.5 *either* the right to prevent confusing uses *or* a limitation on the right to prevent confusing uses."[137] Turning to the standstill provision in TRIPS, it was interpreted as protecting individual GIs immediately prior to January 1, 1995, while registrations under the Regulation had not yet commenced at this point.[138] Ultimately, the EC's fourth argument was the one that succeeded.

According to the EC, Article 14(2) was justified as a permissible, limited exception under Article 17 of TRIPS: "Members may provide limited exceptions to the rights conferred by a trademark, such as fair use of descriptive terms, provided that such exceptions take account of the legitimate interests of the owner of the trademark and of third parties."[139]

Coexistence was permitted as the use of a GI fell within the fair use of a geographically descriptive term. While there is a wealth of detail in the written submissions of the parties, the arguments clustered around two central issues: (1) Was Article 14(2) a limited exception? (2) Did the EC Regulation satisfactorily take into account the legitimate interests of trademark owners and third parties? The burden of proof was on the EC to demonstrate that Article 14(2) satisfied these, thereby falling within the Article 17 exception.

A. A Limited Exception?

The Panel began by determining what precisely the ambit of a limited exception is. It bypassed a quantitative measurement of the likely effects in favor of a limited derogation standard, i.e., a minor diminution of trademark rights, which doesn't completely undercut them. The Panel was of the opinion that "the fact that it may affect only few trademarks or few trademark owners is irrelevant to the question whether an exception is limited. The issue is whether the exception to the *rights conferred by a trademark* is narrow."[140] The sole right affected here was the right to prevent confusing use. As for why "fair use of a descriptive term" was a limited exception,

137. Panel Report, *supra* note 1, at 138. This is considered to be a squandered opportunity to clarify important questions in this regard. See Handler, *supra* note 122, at 75.

138. Panel Report, *supra* note 1, at 139–41.

139. TRIPS, *supra* note 5, art. 17.

140. Panel Report, *supra* note 1, at 144.

> [f]air use of descriptive terms is inherently limited in terms of the sign which may be used and the degree of likelihood of confusion which may result from its use, as a purely descriptive term on its own is not distinctive and is not protectable as a trademark. Fair use of descriptive terms is *not* limited in terms of the number of third parties who may benefit, nor in terms of the quantity of goods or services with respect to which they use the descriptive terms, although implicitly it only applies to those third parties who would use those terms in the course of trade and to those goods or services which those terms describe. The number of trademarks or trademark owners affected is irrelevant, although implicitly it would only affect those marks which can consist of, or include, signs that can be used in a descriptive manner. According to the text, this is a "limited" exception for the purposes of Article 17.[141]

The Panel subsequently went on to analyze whether the Regulation was structured along similar lines. It was limited as regards goods because only those that satisfied the Protected Designation of Origin ("PDO") or Protected Geographical Indication ("PGI")[142] definitions would qualify. Therefore the exception would operate in limited circumstances.[143] Similarly rights were curtailed only against certain third parties (registered GI users) and only those signs which were the subject of such registrations.[144] Significantly this limited curtailment means that unregistered linguistic variations would not fit within the Article 14(2) exception.[145] The Panel also considered at length whether the intrusion on the "likelihood of confusion" standard was limited. Two findings that were influential were the existence of provisions in the Regulation ensuring that where the risk of confusion was high, the descriptive use exception would not apply,[146] and exclusive rights remaining intact against those who did use the sign but not as a GI in situations where confusion was likely. These cumulative constraints led the Panel to conclude that this was a limited exception within Article 17 TRIPS.[147]

141. *Id.* 145.

142. Both defined in Council Regulation 2081/92, *supra* note 36, art. 2. On the puzzle of two definitions for one Regulation, see Gangjee, *GI Pie*, *supra* note 2.

143. Panel Report, *supra* note 1, at 144.

144. *Id.* at 145.

145. *Id.* at 145–46. The extent to which the scope of a GI registration applies to its linguistic variations has been a key issue in several of the Budweiser disputes. One expedient solution may be to register different linguistic variations, if they all communicate the same geographical origin. While a controversial issue in GI litigation and negotiations, it has lain dormant in the academic literature. A notable exception is Christopher Heath, *Geographical Indications: International, Bilateral and Regional Agreements*, *in* NEW FRONTIERS OF INTELLECTUAL PROPERTY LAW: IP AND CULTURAL HERITAGE, GEOGRAPHICAL INDICATORS, ENFORCEMENT, OVERPROTECTION 97 (Christopher Heath & Anselm Kamperman Sanders eds., 2005).

146. Such as Article 7(4) read with Article 12b(3) and Article 14(3) of Council Regulation 2081/92, *supra* note 36.

147. Panel Report, *supra* note 1, at 146.

B. The "Legitimate Interest" Proviso

Beyond a narrow audience of trademark and GI specialists, the Panel Report is interesting because of its characterization of what constitutes a "legitimate interest" in the context of balancing intellectual property rights under TRIPS.[148] This has significance well beyond the issue under consideration and influences other controversial areas of international IP policy. The Panel was of the opinion that as Article 17 identified an exception to legal rights while preserving "legitimate interests," these must be two distinct concepts. This led it to adopt the rather flexible understanding articulated in *Canada—Pharmaceutical Patents*:

> To make sense of the term "legitimate interests" in this context, that term must be defined in the way that it is often used in legal discourse—as a normative claim calling for protection of interests that are "justifiable" in the sense that they are supported by relevant public policies or other social norms.[149]

The Panel's starting point was to identify these policies and norms within TRIPS itself. When considering the legitimate interest of trademark owners, preserving the distinctiveness of a mark and thereby the economic value arising from the reputation and quality associated with it is a key interest.[150] However, the Panel explicitly stated that coexistence under Article 14(2) of the Regulation was not "fatal to the applicability of Article 17 given that, as a provision permitting an exception to the exclusive right to prevent uses that would result in a likelihood of confusion, it presupposes that a certain degree of likelihood of confusion can be permitted."[151] In effect, it is only logical that a likelihood of confusion triggering infringement is a prerequisite to invoking the exception. Article 17 uses the expression "takes account" rather than the "unreasonable prejudice" in other IP exception provisions. This "suggests a lesser standard of regard."[152] Furthermore, a practical effort could be made to distinguish between GIs and trademarks in Article 14(2) coexistence situations.[153] Finally, the Panel explicitly rejected the U.S. argument that a case-by-case approach should be adopted rather than endorsing a systemic commitment

148. For a perceptive argument on the inadequacy of TRIPS as a framework for defining the scope of trademark owners' "legitimate interests," see Katja G. Weckstrom, *When Two Giants Collide: Article 17 and the Scope of Trademark Protection Afforded Under the TRIPS Agreement*, 29 LOY. L.A. INT'L & COMP. L. REV. (forthcoming 2007), *available at* http://ssrn.com/abstract=930646.

149. Panel Report, *supra* note 1, at 147.

150. *Id.*

151. *Id.* at 148.

152. *Id.*

153. Such as clarifying statements on labels, as are often found in the terms of tailored injunctions in IP disputes.

to treat all GIs as prima facie "fair use" descriptive terms. The U.S. had argued that under the Lanham Act, descriptive use operated only in situations where the use of the sign was "otherwise than as a mark."[154] However, a GI, by virtue of being a species of IP, was also a distinctive source identifier—it has a "brand" or distinguishing aspect as well as a descriptive one—and therefore should not qualify under this exception.[155] On these grounds it was suggested that the EC was not entitled to a blanket presumption that every use of a GI is a "fair use of a descriptive term." However, the Panel concluded that there was nothing in TRIPS requiring this logic to be read into the fabric of Article 17. If anything, the language of Article 17 had been initially proposed by the EU and Austria,[156] making the U.S. interpretation doubtful. Therefore the exception created by the Regulation reasonably took into account the legitimate interests of trademark owners.

Finally, the Panel turned to an interpretation of the legitimate interest of third parties. The approach was to identify the discrete groups of third parties involved and their respective interests. Two groups in particular stood out. On the one hand, the distinguishing function of a mark ensured that consumers avoided the perils of confusion. Yet Article 14(3) prevented the more egregious situations of likely confusion, while a fundamental precondition to the registration of GIs was that consumers understood that for such products reputation or quality stemmed from geographical origin. The use of the GI after this threshold condition ensured that geographical origin was part of the message to the relevant public, as opposed to commercial origin which was the trademark's message, consequently reducing a likelihood of confusion.[157] The other group considered here was GI users, whose interests were characterized as the ability to "fairly" use geographical terms to describe product origin and such terms should be conditionally available as a matter of public policy. In the Panel's own words, "Although GIs are intellectual property rights, and not purely descriptive terms, the function of the terms . . . is analogous to a descriptive function . . . and provides contextual support for the notion that the interest of GIs users in using a place name to indicate their products is 'legitimate.'"[158]

The Panel concluded that although coexistence was a violation of Article 16(1) of TRIPS, the Regulation contained a limited exception that satisfied the "legitimate interest" proviso, thereby being justified by Article

154. Lanham Act, 15 U.S.C. § 1115(b)(4) (2000).

155. Second Written Submission of the United States, ¶¶ 199 (July 22, 2004), *reprinted in* Panel Report, *supra* note 1, annex A-5.

156. Panel Report, *supra* note 1, at 148 n.588.

157. *Id.* at 148–49.

158. *Id.* at 149–50.

17 of TRIPS.[159] This conclusion was significant in the context of coexistence under Regulation 2081/92 being given a qualified green light in the EU.[160] However, the result may not have "Champagne" corks popping just yet. It does not necessitate coexistence as a TRIPS obligation; it's merely a legitimate possibility. So what teachings may we draw from it for the broader global conflict between GIs and trademarks?

III. AN EQUITABLE APPLICATION OF DESCRIPTIVE USE?

The Panel Report flags the possibility of coexistence within the ubiquitous "geographically descriptive" fair use defense in trademark law. The arguments canvassed also incorporated the concern as to whether a descriptive use defense ought to be available where a geographical sign is used in a way that is *both* descriptive and differentially distinctive (i.e., brand like). Part III outlines the U.S. and the EU approaches to this issue. In the U.S. the descriptive fair use defense has been considered unavailable where the use is "as a mark." There are reasons to rethink this position now. However, the European Court of Justice ("ECJ") has held that a defendant's use of a geographical indication could still be permitted as fair use, despite a brand-like aspect, provided this was in accordance with "honest practices." The accent is therefore on the legitimacy of the defendant's use coupled with the genuinely descriptive component. As will be seen, one way of accounting for this is by importing the reasoning underlying the doctrine of "honest concurrent use" into the descriptive use framework. It would be a sore trial of the reader's patience to summarize the descriptive fair use defense for the U.S. and EU at this stage.[161] Instead the impact of recent doctrinal developments that further the possibility of coexistence is explored.

159. *Id.* at 150.

160. One commentator argues that this leads to very narrow grounds for coexistence. *See* Burkhart Goebel, *Geographical Indications and Trademarks in Europe*, 95 TRADEMARK REP. 1165, 1190–93 (2005). This is a questionable conclusion on several grounds. The U.S. argument that Article 17 should only apply on a case-by-case basis as opposed to a default presumption under the EU regime was rejected outright by the Panel. Additionally, Article 14(3) was confined to limited circumstances involving "high profile" marks, so Article 14(2) would only not apply where the "likelihood of confusion is relatively high." Panel Report, *supra* note 1, at 148. When these findings are read in conjunction with the ECJ's reasoning in *Kerry Spring*, *see infra* Part III.B, that some confusion can be tolerated, this provides for a fairly broad platform for coexistence.

161. The geographically descriptive fair use defense is considered by 2 MCCARTHY, *supra* note 24, §§ 14:12–17. For the EU position on descriptive use, see DAVID KITCHIN ET AL., KERLY'S LAW OF TRADE MARKS AND TRADE NAMES 14-164 to -174 (14th ed. 2005).

A. Geographical Terms and Fair Use in the U.S.

In the U.S., the fair use defense operates under carefully circumscribed conditions. The defendant should be using the plaintiff's mark, not in a trademark sense, but merely in a descriptive sense. The defendant "is allowed limited use of the term in its 'primary' and descriptive sense without impinging upon the plaintiff's right to prevent infringement of his mark in its 'secondary meaning' as a trademark. The scope of the right to tell of geographic origin is not unlimited."[162] While early common law cases acknowledged the untrammelled right of producers from the region to use its name on their labels,[163] subsequent jurisprudence qualified this right to depict origin. Where a geographical sign had come to depict a particular vendor by acquiring a secondary meaning "relief against unfair competition or perfidious dealing" would be granted by confining the use of the sign on the product to its geographic sense.[164] The primary concern was to prevent deceptive conduct which amounted to unfair competition. By narrowly permitting strictly geographical use, the plaintiff could "put later comers to the trouble of taking such reasonable precautions as are commercially practicable to prevent their lawful names and advertisements from deceitfully diverting the plaintiff's custom."[165] The balancing act was usually achieved by way of a tailor-made injunction.[166] This common law background shaped the relevant provisions of the Lanham Act, which provides that the defense applies where

> the use of the name, term, or device charged to be an infringement is a use, otherwise than as a mark . . . of a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party, or their geographic origin . . . .[167]

The reasoning underlying this development can be parsed as follows:

1. There is a clear division between use that is geographical (descriptively indicating origin) and distinctive (indicating a specific commercial origin). A junior user's sign can be one or the other.

162. 2 MCCARTHY, *supra* note 24, § 14:12 (footnote omitted).

163. Canal Co. v. Clark, 80 U.S. (13 Wall.) 311 (1871) (holding that despite a particular undertaking initiating the use of "Lackawanna Coal" on its coal mined from that valley, miners who subsequently mined from another part of the same valley could not be enjoined from calling their coal by the same name).

164. Elgin Nat'l Watch Co. v. Ill. Watch Case Co., 179 U.S. 665 (1901). The plaintiff had built up goodwill in "Elgin" when used on watches. They were based in Elgin, Illinois, as were the defendants.

165. Am. Waltham Watch Co. v. U.S. Watch Co., 53 N.E. 141, 142 (1899).

166. 2 MCCARTHY, *supra* note 24, §§ 14:14–16.

167. Lanham Act, 15 U.S.C. § 1115(b)(4) (2000).

2. If it's understood by consumers as the former, then use is permitted as it gives consumers additional product information and the junior used should be legitimately entitled to such use.

3. If it's understood by consumers as the latter, i.e., brand like, then two similar or identical signs both appear to indicate commercial origin. This leads to consumer confusion and ensuing unfair competition.

4. Since the presumption is that a sign can be only one or the other, any use with overtones beyond the purely descriptive would be tainted by the unfair competition element.

When GIs are inserted into this framework, their ability to simultaneously exist in two states creates ripples. A GI is concurrently descriptive of geographical origin and serves to distinguish a specific product from that origin. Several "Champagne" houses, each with individual brands but from the defined geographical region sell "Champagne," as opposed to "Cava," varieties of "Deutscher Sekt," "Asti," or "Cap Classique." In fact, the very act of truthfully describing geographical origin is what makes a GI authentic and therefore the *product* as opposed to the *commercial source* distinctive on the marketplace.

Many GIs are represented by a specific logo[168] or stylized geographical name on the product to advertise provenance. However consumer confusion could remain a possibility. So how is possibly confusing—which implies some people are likely to think of it in a brand like sense—yet descriptive use to be accommodated? Cue the U.S. Supreme Court's *Micro Color* decision.[169] The Court reversed the Ninth Circuit's approach to the fair use doctrine and held, *inter alia*, that a descriptive fair use defense is available even where there may be a likelihood of confusion. While confusion is still a factor to be taken into account in determining whether the use is objectively fair, "fair use can occur along with some degree of confusion."[170] The Supreme Court clarified that the statutory defense is established by satisfying three requirements; namely that (i) the "name, term or device" said to be infringing is a use other than as a trademark; (ii) the name, term, or device is used descriptively; and (iii) the accused use is made "fairly and in good faith."[171] A GI is able to satisfy all of these. It does not indicate a specific commercial origin (GI products are usually accompanied by a trademark such as "Bollinger" which does this work); it truthfully not just describes but certifies the geographical origin of the

168. Such as Parma's ducal crown or Darjeeling's stylized profile of a female tea leaf gatherer.

169. KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc., 543 U.S. 111 (2004).

170. *Id.* at 550.

171. *Id.* at 551.

goods and given the evolutionary stages of GI formation where the eponymous region becomes associated with the product over time, it is made fairly and in good faith. Drawing on the Parma example, the *Consorzio* is far less likely to be claiming an association with PARMA BRAND when they have a historic product of their own with a worldwide reputation. And even if there is some likelihood that certain consumers may think there is a commercial connection between the two, this is insufficient to stop the use from being fairly descriptive. This is part of a balancing act to compensate for the proprietor having chosen an initially descriptive mark in the first place:

> The common law's tolerance of a certain degree of confusion on the part of consumers followed from the very fact that . . . an originally descriptive term was selected to be used as a mark, not to mention the undesirability of allowing anyone to obtain a complete monopoly on use of a descriptive term simply by grabbing it first. The Lanham Act adopts a similar leniency, there being no indication that the statute was meant to deprive commercial speakers of the ordinary utility of descriptive words.[172]

As the law presently stands, confusion remains relevant even in such descriptive use situations,[173] but the Supreme Court was clear that the descriptive use defense rebuts an infringement claim even if the use may cause some confusion. The former binary division between descriptive and distinctive seems to have blurred and a smidgen of confusion is not a fatal taint. Coexistence is certainly possible as a result.

B. Geographical Terms and Fair Use in the EU

The present EU approach has been outlined in the ECJ's *Kerry Springs* decision.[174] Gerolsteiner manufactured mineral water and mineral spring soft drinks, marketing them in Germany under the GERRI trademark from 1985.[175] Since the mid-1990s the defendant Putsch had marketed soft drinks in Germany, manufactured by Kerry Spring Water Co., with labels including the words "Kerry Spring." Those drinks are produced in Ballyferriter, County Kerry, Ireland, using water from a spring by that name.[176] Gerolsteiner succeeded in establishing likelihood of confusion before the trial court, but lost on appeal leading to a further appeal on a point of law

172. *Id.* at 550 (citations omitted).

173. As emphasized in the subsequent appellate court decision on remand. KP Permanent Makeup, Inc. v. Lasting Impression I, Inc., 408 F.3d 596 (9th Cir. 2005).

174. Case C-100/02, Gerolsteiner Brunnen GmbH & Co. v. Putsch GmbH (*Gerolsteiner ECJ*), 2004 E.C.R. I-00691.

175. The mark was registered for *inter alia* mineral water, fruit juice, and soft drinks. *Id.* ¶ 7.

176. *Id.* ¶ 8.

before the Bundesgerichtshof. The German apex court was also inclined to agree that the signs were similar enough for the likelihood of predominantly aural confusion.[177] The appeal turned on the interpretation of Article 6(1)(b) of the EU's Trade Marks Directive 89/104, which permits descriptive use as follows:

> The trade mark shall not entitle the proprietor to prohibit a third party from using, in the course of trade,
>
> . . .
>
> (b) indications concerning the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of the service, or other characteristics of goods or services;
>
> . . .
>
> provided he uses them in accordance with honest practices in industrial or commercial matters.[178]

Specifically, the question was whether use "as a trade mark"[179] in the case of "Kerry Springs" excludes the applicability of that provision. Or as the Advocate General put it, "It is uncertain whether and under what conditions an indication of geographical origin may be used if, in addition to describing the characteristics of the product, it is intended to differentiate the product from those of other undertakings, and is thus used as a trade mark."[180]

It is to be noted that this is not a paradigm GI case since the mineral water was owned by a single undertaking as opposed to a regional collective. Yet the defendant's product otherwise satisfied the GI link between a product's qualities and its place of origin. It is fundamental to the marketability of such products that they be allowed to state their place of origin.[181] A consistent theme through the judicial deliberations was the need to strike a pro-competitive balance between the protection of trademark rights and the need to keep descriptive terms freely available.[182] Article 6 was to be viewed as a regulating device, to reconcile the free movement of goods with the ability of trademarks to fulfill their essential function in the system

177. For the purposes of Article 5(1)(b) of First Council Directive 89/104/EEC, 1989 O.J. (L 40) 1.

178. *Id.* art. 6(1).

179. The Advocate General clarified that this was use for the purpose of distinguishing the goods or services in question as originating from a particular undertaking, citing Case C-93/97, BMW, 1999 E.C.R. I-905, at ¶ 38. *See* Opinion of Advocate General Stix-Hackl, at ¶ 2 (July 10, 2003), *in Gerolsteiner ECJ*, 2004 E.C.R. I-00691 [hereinafter Opinion of Stix-Hackl].

180. *Id.*

181. *See id.* ¶ 71; *Gerolsteiner ECJ*, 2004 E.C.R. I-00691, ¶ 21.

182. *See, e.g.*, Opinion of Stix-Hackl, *supra* note 179, ¶¶ 14, 25–27; *Gerolsteiner ECJ*, 2004 E.C.R. I-00691, ¶ 3, 16.

of undistorted competition. The essential function[183] would not be undermined even if fair use would be permitted when the sign is used as a trademark.[184] The key to striking the appropriate balance was the existence of the "honest practices" proviso, which permitted the weighing of interests.[185] Neither use as a trademark,[186] nor possible likelihood of confusion,[187] meant that such use would not be an "honest practice." Instead the test focused on the honesty of the defendant's use and the aim was to ensure that the duty to act fairly in relation to the legitimate interests of the trademark owner was satisfied.[188]

The Advocate General engaged in a balancing act whereby on the one hand the trademark proprietor's interests would weigh more heavily depending on the distinctiveness and repute of the mark, while the geographical user's prospects would be undermined by the existence of deliberate deception.[189] The fact that "Kerry Springs" was used prominently in this case, in a distinctive sense,[190] was justified by the necessity to promote mineral water by referring to its place of origin. One gets a glimpse of the underlying policy concerns towards the end of the judgment:

> In a Community of [then] 15 Member States, with great linguistic diversity, the chance that there exists some phonetic similarity between a trade mark registered in one Member State and an indication of geographical origin from another Member State is already substantial and will be even greater after the impending enlargement.[191]

The court encouraged coexistence in these limited situations by opening up the descriptive use space and implicitly acknowledging that a universal FITFIR rule may lead to inequitable results in an expanding market. So long as no unfair leaning on a prior user or deception is occurring, exclusivity becomes "somewhat exclusive." This development was subsequently noted with approval in the UK by Jacob, L.J.:[192]

183. This has emerged as the linchpin of EU trademark law and is reiterated in several decisions. *See, e.g.*, Case C-299/99, Koninklijke Philips Elec. NV v. Remington Consumer Prod. Ltd., 2002 E.C.R. I-05475, ¶ 30 ("[A]ccording to the case-law of the Court, the essential function of a trade mark is to guarantee the identity of the origin of the marked product to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin . . . .").

184. Opinion of Stix-Hackl, *supra* note 179, ¶ 51.

185. *Id.* ¶ 53.

186. *Id.* ¶ 62.

187. *Gerolsteiner ECJ*, 2004 E.C.R. I-00691, ¶¶ 22–24.

188. *Id.* ¶ 24.

189. Opinion of Stix-Hackl, *supra* note 179, ¶¶ 66–72.

190. As opposed to a discreet label with "Bottled at Kerry Springs" in small print somewhere on the label.

191. *Gerolsteiner ECJ*, 2004 E.C.R. I-00691, ¶ 25.

192. Reed Executive Plc. v. Reed Bus. Info., [2004] EWCA (Civ.) 159, ¶ 127.

> One sees here a recognition that the Community needs something in the nature of a doctrine of honest concurrent use, just as nineteenth century England developed such a doctrine. . . . There are some kinds of case where people have to put up with some degree of confusion and the public has to get used to it. Provided the parties behave fairly and reasonably it works.

Having opened the door to coexistence despite a trademark-like use (i.e., descriptive of geographical origin in a distinctive way), the ECJ clarified that the circumstances to be considered would include the shape and labeling of the bottle to assess whether the defendant was unfairly competing with the proprietor of the trademark.[193] It concluded that despite some potential confusion, a coexisting geographical indication of origin could be used subject to its being in accordance with honest practices in industrial or commercial matters.[194] Subsequently, the ECJ has continued to explore the bounds of "honest practices" by giving examples of certain uses which will fall foul of this proviso.[195] Thus within the EU, despite having a distinctive sheen, geographical fair use will be permitted provided it is "honest."

CONCLUSION

The aim of this paper was to juxtapose the strained rhetoric of the "first in time, first in right" rule with the very pragmatic and extant doctrinal possibilities for coexistence. FITFIR operates as a framing device that sets the terms of debate, while it excludes certain values altogether and insidiously claims neutrality in doing so. However, coexistence as the proposed alternative will not prove palatable for all GI proponents, who regard with extreme misgivings any adoption of a trademark consisting of a GI. A misleading or misappropriating motive must lurk within such a registration and GIs, as collective badges of identity and a "public" right of sorts, should inevitably trump. Coexistence is also unlikely to appeal to trademark proponents, with INTA dogmatic in its assertion of priority and exclusivity. Yet the registered trademark system permits the coexistence of similar signs in a variety of situations, such as when they are used on discrete classes of goods or where honest concurrent use can be established. Consumers are far more resilient and capable of more nuanced perceptions

193. *Gerolsteiner ECJ*, 2004 E.C.R. I-00691, ¶ 26.

194. *Id.* ¶ 27.

195. Case C-228/03, Gillette Co. v. LA-Laboratories Ltd. Oy, 2005 E.C.R. I-02337, ¶¶ 42–45. These are uses which (i) give the impression of a commercial connection between the parties; (ii) take unfair advantage of the distinctive character or repute of the prior mark; (ii) denigrate the mark; or (iv) suggest an imitation of the original product bearing the mark.

than trademark doctrine has thus far presumed.[196] Confusion, as an axiomatic corollary of coexistence, cannot be presumed too lightly. Neither can the judicial and administrative decisions considered in this paper be wished away. To that extent these issues forms part of the renewed interest in the spaces and flexibilities within TRIPS.

What this paper has not canvassed in any detail is the normative basis for structuring the relationship between these two related yet distinct species of IP. The responses to this paper take up this challenge instead. Professor Kur[197] seeks to identify sub-categories within the umbrella group of GIs and to modulate the scope of protection according to the strength and communicative content of the link between product and place. Those more closely approximating the appellation ideal of French law would thus be entitled to greater protection. Professor Okediji,[198] on the other hand, explores at some length what trademark law may learn from the embeddedness of a GI—trademarks "other" in many senses. Finally Amy Cotton[199] elaborates on the "misrepresentation prevention" reflex that runs through the evolution of international GI protection, as a possible common platform (or limitation device?). The aim of this paper is far more modest. It identifies a pragmatic solution, attainable in the here and now, while respecting the quirks and nuances of the distinct institutional architectures of trademark and GI regimes. The machinery is already in place for coexistence in legitimate circumstances, and arriving at an equitable resolution is the driving force behind this proposal. The two "Budweisers" have inoffensively coexisted in the UK for several years[200] and one would assume that if there's any scope for paternalistic concerns about fuzzy confusion, consumers of lager are likely candidates.

Coexistence also prompts some rethinks as regards traditional trademark doctrine. A few which will be canvassed here are

(1) The debate reminds us that accommodation is possible for unconnected parties using the same signs within registered trademark systems. Ranging from signs considered descriptive and therefore qualified by disclaimers during registration to the descriptive fair use of the place of origin

196. *See* Beebe, *supra* note 7 (stating that litigants attempt to simultaneously construct the consumer as a "fool" or "sovereign" depending on one's approach to the scope of trademark law); Ann Bartow, *Likelihood of Confusion*, 41 SAN DIEGO L. REV. 721 (2004) (arguing that judges rely on personal intuition and subjective, internalized stereotypes when ruling on trademark disputes).

197. *See* Kur, *supra* note 113.

198. *See* Okediji, *supra* note 2.

199. *See* Cotton, *supra* note 2.

200. Anheuser-Busch, Inc. v. Budejovicky Budvar N.P., [1984] F.S.R. 413 (CA).

or the use of a trade name,[201] or even the use of the same sign for unrelated categories of goods and services. Therefore the demands for exclusive use under the guise of consumer protection by FITFIR proponents should be viewed with suspicion.

(2) Coexistence forces us to reconsider the hermetic, oppositional categories that trademark doctrine has drawn up. Descriptive implicitly excludes distinctive, yet GIs straddle both states. Does this suggest that a more nuanced idea of consumer understanding needs to be developed, perhaps informed by a semiotic approach to trademark law and developments in cognitive psychology? And would a rethink of these watertight categories help with other fuzzy areas like generic use? How should the law respond if a consumer can interpret signs in both generic and distinctive senses at different times?[202]

(3) Finally, will allowing a GI to coexist enable it to "consume" a trademark's distinctiveness over time? This was a concern in the PARMA BRAND decision, where the TTAB acknowledged that the *Consorzio*'s promotions could result in PARMA BRAND being considered deceptive as the consuming public came to associate "Parma" ham with Italy over time. A preservative mechanism, premised on estoppel and controlling for confusion or deception, could certainly be worked out. There is the additional concern of geographically descriptive use parasitically drawing on an established trademark's goodwill, as discussed in the Australian *Koppamurra* case.[203] Descriptive use claims must continue to be tested for honesty or legitimacy.

Thus while coexistence is endorsed here, it poses its own set of puzzles for traditional trademark doctrine.

201. Budweiser can be relied on to bring matters frothing to a head. For mixed results in the deployment of the "own name" defense by Budějovický Budvar, see Anheuser-Busch Inc. v. Budejovicky Budvar, Narodni Podnik, [2006] E.T.M.R. 77, 1089 (Swed.); Case C-245/02, Anheuser-Busch Inc. v. Budějovický Budvar, národní podnik, [2005] E.C.R. I-10989; Anheuser-Busch, Inc. v. Budejovicky Budvar, Narodni Podnik, (2002) F.C.A. 390 (Austl.); *In the Matter of* Registration No. 1070309 in the name of Budejovicky Budvar Narodni Podnik, UK Trademark Registry Decision O/200/01 (Apr. 26, 2001); Anheuser Busch Inc. v. Theodoridis Budweiser, Astre Landsret [Copenhagen Court of Appeals] Apr. 16, 1998 (Den.), *noted in* 31 I.I.C. 104 (2000); Anheuser-Busch Inc. v. Budweiser Budvar National Corporation, [2003] 1 N.Z.L.R. 472 (C.A.).

202. For judicial attempts to grapple with the legitimacy of "British Sherry," see Vine Products, Ltd. v. Mackenzie & Co, Ltd. (No.3), [1967] F.S.R. 402, 423 (Ch.D.) ("In the first place even people who are knowledgeable about wine and would expect if they asked in a bar for a glass of dry sherry to be given a wine from Spain may on other occasions use the word 'sherry' to include 'sherry type' wines.").

203. Koppamurra Wines Pty Ltd. v. Mildara Blass Ltd., [1998] 226 F.C.A. (Austl.) (Von Doussa, J.) ("[I]f the area is not known . . . as the geographical region of Koppamurra, then . . . there appears to have been a deliberate and carefully planned scheme to hijack the Koppamurra name from the applicant, and to promote that name vigorously as a regional name.").