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**Panel II: That's a Fine Chablis You're Not Drinking:
The Proper Place for Geographical Indications in
Trademark Law**

Moderator: Justin Hughes

Panelists: Lynne Beresford, Annette Kur, Kenneth Plevan, Susan Scafidi

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Panel II:
That's a Fine Chablis
You're Not Drinking:
The Proper Place for Geographical
Indications in Trademark Law

Moderator: Justin Hughes*

Panelists: Lynne Beresford[†]
Annette Kur[‡]
Kenneth Plevan[§]
Susan Scafidi^{||}

MR. MASKEL: Good morning. My name is Greg Maskel, and I am the Managing Editor of the *Fordham Intellectual Property, Media & Entertainment Law Journal*. The IPLJ has been looking forward to today for quite some time, and we are so glad to assemble a conference to discuss cutting-edge issues in intellectual property law.

The IPLJ publishes four books per year, and we are currently working on our seventeenth volume. Please stop by our table in the Atrium and have a look at our most recent books.

Now we will begin our second panel of the day, where the panelists will discuss geographical indications in trademark law.

We have a distinguished moderator for the panel, Professor Justin Hughes. Professor Hughes teaches intellectual property,

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Internet law, and international trade courses at Cardozo Law School here in New York. He also serves as Director of the Law School's Intellectual Property Program. He was an attorney advisor at the U.S. Patent and Trademark Office from 1997 to 2001. Prior to that, he clerked for the Lord President of the Supreme Court of Malaysia and worked in private practice. A well-known expert in intellectual property law, Professor Hughes is a frequent witness at congressional hearings and has written extensively on Internet, copyright, and patent law. He has taught at Cardozo since the year 2000.

Professor Hughes.

PROFESSOR HUGHES: Thank you.

We have a great panel today. Although this is the trademark panel, the subject is actually GIs. Now, when you go and tell someone that you were at a panel on GIs today, they will assume you were at a hospital or a medical center. I had this incident arise with a very important IP professor, when I said, "we're doing GIs," and she asked about my health.

But, no. Here GIs are geographical indications. Geographical indications are a very interesting and unusual form of intellectual property. When we talk about them as geographical indications, we are really speaking at the level of international legal norms. "Geographical indications" is the right term for this type of intellectual property at the international level, where the TRIPs Agreement protects geographical indications.¹

The TRIPs Agreement's protection of geographical indications is quite unusual in that the Agreement first provides for general protection for all geographical indications,² and then affords special, elevated protection to geographical indications that concern wine and spirits.³

¹ See Agreement on Trade-Related Aspects of Intellectual Property Rights, arts. 22–24, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, Legal Instruments—Results of the Uruguay Round, 1869 U.N.T.S. 299, 33 I.L.M. 1125, 1197 [hereinafter TRIPs].

² See TRIPs art. 22.

³ See *id.* art. 23(1)–(3). For a complete discussion of these provisions, see Justin Hughes, *Champagne, Feta, and Bourbon: The Spirited Debate about Geographical Indications*, 58 HASTINGS L.J. 299 (2006).

The most important—and in a way the most interesting—aspect of the TRIPs Agreement’s geographical indications protection is the fact that the TRIPs Agreement itself calls for continued negotiations regarding further protection of geographical indications in three areas of the Agreement.⁴ Those of you who have studied international intellectual property and the TRIPs Agreement know that this is quite unusual. The patent provisions and the copyright provisions of TRIPs, as well as its other trademark provisions, are all self-contained.⁵ But here, in the area of geographical indications, the disagreement between the United States and the New World countries on the one hand, and the European Union on the other hand, was so strong during the Uruguay Round that, at best, the parties could agree to continue to disagree.

Although the TRIPs Agreement uses the phrase “geographical indications” at the international level, different countries fulfill the obligations the Agreement establishes in different ways. In particular, there are two general paradigms for fulfilling geographical indications obligations in the TRIPs Agreement.

The first is a system that emanates from and really originates in France. This is a system of appellations d’origine contrôlées, a centralized system of special sui generis protection, which you see in many European Union countries.

The other system, which is mainly rooted in the United States, but also popular in many other countries, including I think Japan and China and Canada, protects geographical indications through trademark law, and in particular through certification and collection of trademarks.

So there is a very strong paradigm difference here. The paradigm difference is rooted truly in the fact that geographical indications are the point where intellectual property meets agricultural policy, where geographical indications meet different conceptions of the market versus industrial policy.

⁴ TRIPs arts. 23(4), 24(1).

⁵ TRIPs arts. 9–14, 27–38, respectively.

What are geographical indications? Well, geographical indications include CHAMPAGNE and CHABLIS wine; BOURBON and IRISH and PISCO whiskey; FETA and ROQUEFORT cheese; KOBE beef; SWISS chocolate. As you can see from a list like that, geographical indications—for those of us who try to study the subject—require serious empirical research, which takes us often to dangerous places, like Napa Valley. I am mainly a copyright professor, but I can honestly say geographical indications have treated me very well.

Now, we have a distinguished panel today to talk about geographical indications. I will introduce them briefly.

First, leading off our panel is Lynne Beresford, who is the Commissioner of Trademarks at the U.S. Patent and Trademark Office. Lynne and I have known each other for many years and—I have to put my plug in now—Lynne is also an Adjunct Professor on the Cardozo Law faculty. But more importantly than that, if you just knew Lynne Beresford as the Commissioner of Trademarks at the U.S. Patent and Trademark Office, you would be badly underestimating her résumé, because Lynne is probably one of the world's most influential trademark experts. She was for many years the chairperson of the World Intellectual Property Organization's (hereinafter WIPO) Standing Committee on Trademarks.

Next to her is Annette Kur. We are very fortunate to have Annette in New York this year. She is normally at the Max Planck Institute, where she is a researcher and head of the unit at the Institute that works on intellectual property. She also is an Associate Professor at the University of Stockholm. Sometime I am going to ask her about her frequent-flyer-mile account between those gigs, Munich and Stockholm.

Next to her is Ken Plevan, who is the co-chair of the Skadden Arps intellectual property practice. Ken, of course, needs no introduction as an intellectual property expert. You don't get to do IP at Skadden Arps at all, let alone head the IP Group, unless you are quite eminent in the field.

And finally, last but not least, is Susan Scafidi, who is here as a Visiting Professor at Fordham Law School, but normally is a

Professor at Southern Methodist University. Susan has written some very, very interesting work on the relationship between cultural issues and intellectual property, and I am sure that we will hear from that perspective.

With that, I am going to turn it over to Lynne Beresford to start us off with a presentation. Each of our speakers gets twelve minutes, except for Commissioner Beresford, who gets eighteen.

[See article below in lieu of presentation transcript.]⁶

PROFESSOR HUGHES: Thank you, Lynne.

As you saw, I think one of the most helpful slides from Commissioner Beresford was the three-part slide showing the demands that the European Union has made in what was essentially the Doha Round negotiations, three parts. Those demands all stem from what I introduced earlier when I mentioned that that the TRIPs Agreement is unusual, in that it calls for continued negotiations over the protection of geographical indications.⁷ So you saw the claw back list, which is forty-one terms; the international register; and the Article 23 extension of protection.⁸

Let me say a word about that to give you a little background here. Article 22 of the TRIPs Agreement essentially affords all geographical indications protection at the trademark level.⁹ The level of protection the TRIPs Agreement affords to wines and spirits, however—as I said earlier—is elevated, something more

⁶ Lynne Beresford, *Geographical Indications: The Current Landscape*, 17 *FORDHAM INTELL. PROP. MEDIA & ENT. L.J.* 979 (2007).

⁷ See *supra* note 4 and accompanying text.

⁸ See Beresford, *supra* note 6, at 989.

⁹ TRIPs art. 22(2)(a)–(b) provides that:

In respect of geographical indications, Members shall provide the legal means for interested parties to prevent:

(a) the use of any means in the designation or presentation of a good that indicates or suggests that the good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the good;

(b) any use which constitutes an act of unfair competition within the meaning of Article 10*bis* of the Paris Convention (1967) . . .

TRIPs, *supra* note 1. Because article 22(a) requires that the public be “misled” by a label, this is essentially the confusion-based standard familiar in trademark law.

akin to an American trademark scholar's conception of dilution protection,¹⁰ or at least dilution protection within certain product categories. The question is whether this heightened form of protection should expand from protecting only wines and spirits to covering all geographical indications—such as ROQUEFORT, FETA, KOBE beef, and SWISS chocolate. This is the fight about future standards.

There is also a fight about preexisting standards, which I think Annette might speak to just a little bit, but not very much. While the Doha Round negotiations were taking place, the United States and Australia were suing the European Union in the World Trade Organization (hereinafter WTO) dispute settlement system, arguing that the European Union's geographical indication system does not permit, or has not to date permitted, foreigners to register and receive the full protection of geographical indications in the European Union.¹¹

The Dispute Settlement Body at the WTO reached a judgment largely in favor of the United States and Australia, but with some important conclusions in favor of the European Union.¹² The

¹⁰ TRIPs art. 23(1) eliminates the confusion requirement vis-à-vis names on wines and spirits:

Each member shall provide the legal means for interested parties to prevent use of a geographical indication identifying wines for wines not originating in the place indicated by the geographical indication in question or identifying spirits for spirits not originating in the place indicated by the geographical indication in question, even where the true origin of the goods is indicated or the geographical indication is used in translation or accompanied by expressions such as "kind," "type," "style," "imitation," or the like.

TRIPs, *supra* note 1. This eliminates the possibility of many non-confusing labels, such as "fake Scotch" on a scotch-like liquor or "imitation Cognac" on a fortified wine.

¹¹ The United States initiated its case in June 1999. Request for Consultations by the United States, *European Communities—Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs*, WT/DS174/1 (June 1, 1999). In 2003, the WTO combined the American complaint with a parallel Australian complaint and created a panel to hear the unified complaints as one action. See Constitution of the Panel Established at the Requests of the United States and Australia, *European Communities—Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs*, ¶¶ 1, 3, WT/DS290/19 (Feb. 24, 2004).

¹² Panel Report, *European Communities—Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs*, WT/DS174/R (Mar. 15, 2005) [hereinafter WTO Panel Report on Origins Regulations]. See Hughes, *supra* note 3, at 328–31 (discussing aspects of the WTO Panel Report on Origins Regulations).

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European Union modified its law effective earlier this year, I believe.¹³ Is that correct, Annette?

DR. KUR: Yes.

PROFESSOR HUGHES: And so, while none exist yet, maybe there will be, eleven, twelve, thirteen, or even fourteen years after the TRIPs Agreement, some non-European geographical indications protected under European Union law.

With that as a bridge, I would like to introduce Annette Kur, who, as I said, is head of the Intellectual Property Research Unit at the Max Planck Institute, an extremely influential—probably the most influential—IP think tank in Europe. With that, Annette, take it away.

DR. KUR: Thank you very much, Justin.

Just let me say that we may be influential in some areas, but we definitely have nothing to do with the GI regime that has applied to-date in Europe.

First of all, I am really very glad to be here and to be on this panel.

I feel a bit uncomfortable, though, not because I am the only European—and this is, of course, a very contentious area between the U.S. and the EU—but rather on the contrary, because I agree on far more points with Lynne than I disagree. However, being here as a European, I think that I should make an effort to defend the European position.

But I also have to emphasize that what appears as “the” European position from the outside—and what is indeed adopted and endorsed by EU representatives in international negotiations—is not really a common European position. It is rooted in a system well developed in individual countries, especially in France, and also in Italy and to some extent in Spain, i.e., countries around the Mediterranean Sea. It certainly does not come from Germany or other countries in Northern Europe such as the United Kingdom or the Scandinavian nations. Nowadays, it also has some support in

¹³ See Council Regulation 510/2006, On the Protection of Geographical Indications and Designations of Origin for Agricultural Products and Foodstuffs, 2006 O.J. (L 93) 12 (EC).

the new Member countries of Eastern and Middle Europe, which harbor their own strong agricultural traditions.

This brings me back to something that Lynne said, to which I simply must subscribe. Is this a trade issue rather than an intellectual property issue? Yes, it is. It is about trade policy in the first place.

Is it about agricultural policy? Yes, it is. The legislative initiative that led to the regime for specific GI protection that currently applies in the European Union was brought forward by the agricultural department of the Commission,¹⁴ rather than the Directorate-General for the Internal Market, which is generally responsible for propelling intellectual property harmonization legislation.

On all these points, I concur with Lynne's statements. Nevertheless, it remains true that specific protection of GIs does form part of intellectual property law. In the end, this depends on the exact definition of GIs, but it is important to note that Article 1(2) of the Paris Convention mentions GIs as one of the fields industrial property protection covers.¹⁵ In addition, as we have heard, TRIPs also explicitly addresses GIs.¹⁶ Therefore, technically, there is no way of denying that GIs count as a specific area of intellectual property law.

Next question: are GIs the same as trademarks? I had the impression that Lynne's statements to some extent endorsed this conclusion. Here again, I have some reservations. In my opinion, there are some differences between GIs in a general sense and trademarks. The most notable of these differences is that trademarks belong to one individual trademark holder and laws normally consider them transferable property. GIs, on the other hand, are inherently collective, and not just in the sense that collective entities own certification marks or collective marks.

¹⁴ The Directorate-General for Agriculture and Rural Development.

¹⁵ Paris Convention for the Protection of Industrial Property, Stockholm Act of July 14, 1967, art. 1(2), 828 U.N.T.S. 307 ("The protection of industrial property has as its object patents, utility models, industrial designs, trademarks, service marks, trade names, indications of source or appellations of origin, and the repression of unfair competition.").

¹⁶ TRIPs, *supra* note 1, arts. 22–24.

Irrespective of the establishment of specific associations for registering GI, GIs exist by themselves, wherever and whenever signs make reference to products originating from certain regions. At least in this sense, GIs differ from, and go beyond, the trademark system. They are rather part of a general regime of protection against misrepresentation. The international community adopted this type of protection as the basic rule underlying Article 22 of TRIPs.¹⁷

I therefore submit that we should acknowledge that there are certain merits in a GI protection regime that is not exactly the same as a trademark protection scheme. Registration and assignment of a sign to an individual rights holder is not integral to GI protection. GI protection is rather a collective right that exists independently, simply because the public assumes that specific products come from certain regions, and thus ascribes the qualities of such products to such regions. This is the basic concept.

The question, then, is this: can or should the law impose additional protection regimes on top of this basic concept, and if so, what form should such enhanced regimes take?

First, I should clarify that protection by way of certification marks is an excellent way of granting additional protection to GIs. This option exists in both the United States, and Europe. Lynne said it already, but let me emphasize this point here again: in the EU, we do not just protect GIs with a *sui generis* system; we also provide for protection with certification marks.

But indeed, in addition to that, European law has adopted a specific system for GI protection: the GI Regulation (hereinafter GI-R). The printed material for this conference included the text

¹⁷ See TRIPs, *supra* note 1, art. 22(1) (“Geographical indications are, for the purposes of this Agreement, indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin.”); *see also* TRIPs, *supra* note 1, art. 22(2)(b) (referencing article 10*bis* of the Paris Convention, the general clause-like prohibition against unfair competition).

of an amended version of the GI-R that went into effect earlier this year.¹⁸

Scholars can criticize the type of protection the GI-R established from a number of directions. For one, the regulation is extremely complicated and formal. It also restricts competition,¹⁹ as well as the ability to use GIs in commercial speech,²⁰ to a degree so extensive that might it appear quite precarious. On the other hand, there is no denying that it may produce, in principle, beneficial effects in the agricultural sector, which would vary in import amongst the individual countries of the EU. As was stated above, it was these benefits to agricultural industries that precipitated the introduction of the GI-R.

Ultimately, however, we must leave the problems the GI-R created for the Europeans to sort out among themselves. If this is the sort of regime a majority of the EU countries wants to establish as a Community rule, who is to criticize them? As long as the GI-R scheme only implicates the regulation of EU-internal matters, the EU is surely free to do what it wants.

However—and this is another point where I have to concur with what Lynne has pointed out²¹—when the EU imposes such a regime as a specific category of intellectual property law falling under the ambit of TRIPs, there is an obligation under international law to make such protections accessible to nationals from all countries subscribing to TRIPs. It is not permissible to create a regime the protections of which only citizens of certain favored

¹⁸ Council Regulation 510/06, On the Protection of Geographical Indications and Designations of Origin for Agricultural Products and Foodstuffs, 2006 O.J. (L 93) 12 (EC).

¹⁹ See, e.g., Case C-108/01, *Consorzio del Prosciutto di Parma & Salumificio S. Rita SpA v. Asda Stores Ltd. & Hygrade Foods Ltd.*, 2003 E.C.R. I-5121, I-5194-95 (proscribing the slicing and packaging of ham marketed under the GI-protected term “Prosciutto di Parma” beyond the confines of the Italian region of Parma, the only region authorized to produce hams bearing such a name); Case C-469/00, *Ravil S.A.R.L. v. Bellon Imp. S.A.R.L.*, 2003 E.C.R. I-5053, I-5119 (barring the grating of cheese sold under the GI-protected name “Grana Padano” outside of the Italian regions authorized to produce such cheese).

²⁰ Council Regulation 510/2006, On the Protection of Geographical Indications and Designations of Origin for Agricultural Products and Foodstuffs, art. 13, 2006 O.J. (L 93) 12, 19 (EC).

²¹ See Beresford, *supra* note 6, at 997.

countries may enjoy, and this is precisely what other TRIPs member countries have accused the EU of doing.

The issue has been the object of WTO dispute settlement proceedings. The panel report that arose from these proceedings criticized the EU for trying to impose a system that, while claiming to be accessible to everyone, was actually exclusive in that it made it practically impossible for individuals from countries outside the EU to obtain protection under the GI-R unless such individuals' home countries employed regulatory schemes analogous to the GI-R.²² In practice, the EU effectively forced other countries to establish systems for orchestrating the certification and monitoring of GIs analogous to the EU system as a precondition of registration under the GI-R. The WTO Panel found that this action on the part of the EU clashed with the principle of national treatment.²³

As was said before, the EU recently amended this system in response to the WTO Panel report.²⁴ At least on paper, the European Union has introduced changes that make it possible for stakeholders from non-EU countries to apply to register GIs in the EU without pre-examination or regular monitoring of the GI protection regimes in such individuals countries of origin. I cannot say how this has worked out in practice, I am not an expert on that, and in addition, the amendments are quite recent. Perhaps we need more time in order to see whether anything comes out of these changes, at least with respect to whether the EU will now, and in the future, accept American GIs for registration in Europe.²⁵

Of course, in practice, any changes hinge upon American producers actively pursuing applications under this system. People dealing with these issues in the European Union have told me that

²² WTO Panel Report on Origins Regulations, *supra* note 12, ¶¶ 7.72, .74, .102.

²³ *See id.*

²⁴ *See* Council Regulation 510/2006, On the Protection of Geographical Indications and Designations of Origin for Agricultural Products and Foodstuffs, 2006 O.J. (L 93) 12 (EC).

²⁵ While the EU had not registered any non-EU geographical indications as of the time of this Panel, by spring 2007 Brussels appeared to be moving to register its first few non-EU GIs, including "Napa." Paul Franson, *More wine regions join push for place protection*, ST. HELENA STAR (Cal.), Apr. 5, 2007 (reporting that "the European Union recently announced that Napa Valley has been named a Geographical Indication, the first wine region in North America to gain the protection and recognition of this designation").

lack of interest is indeed the main reason why there is so little movement regarding GI protection of American designations of origin in Europe. They told me instead that all Americans really want to see is that the certification mark system applies in the European Union in exactly the same manner that it applies in the United States.

Contrary to that, Lynne told me just before we started that American producers are genuinely interested in gaining access to GI protection in Europe. Again, I am not expert enough to judge. I can only hope that the changes the EU made to the GI-R in the wake of the WTO Panel report have improved the legal situation enough to rule out any discriminatory effects that would clash with international obligations.

Let me now use the very last minute of my time for another topic Lynne addressed in her presentation: the question of whether and in what manner the global community should extend the regime of international GI protection. Should it, for instance, introduce a registration system modeled on the system that presently applies in the EU? Should it expand Article 23 of TRIPs²⁶ so that it grants absolute protection—irrespective of the likelihood of consumer confusion regarding geographical origin—to GIs for all types of products? Like Lynne, I can only caution against the introduction of such systems, which would create chaos and simply prove unmanageable.

As an illustration of this point, it is of note that before the last session of the WIPO Standing Committee on Trademarks, Geographical Indications, and Industrial Designs convened in November, 2006, the Permanent Mission of Brazil in Geneva communicated a list of some 5,000 indications of indigenous plant names that it maintained should be excluded from trademark

²⁶ TRIPs art. 23(1) (“Each Member shall provide the legal means for interested parties to prevent use of a geographical indication identifying wines for wines not originating in the place indicated by the geographical indication in question or identifying spirits for spirits not originating in the place indicated by the geographical indication in question, even where the true origin of the goods is indicated or the geographical indication is used in translation or accompanied by expressions such as ‘kind’, ‘type’, ‘style’, ‘imitation’ or the like.”).

protection.²⁷ Although these plant names are not exactly the same as GIs, this move on the part of Brazil goes in the same direction as would a regulation exempting all sorts of national GIs from worldwide trademark protection. To establish such a system on an internationally mandatory basis would simply be crazy.

Again, in this regard I find no argument in defense of the official European position. In my view, it is clear to see that such a position is not going to benefit anyone.

As my last point, I want to emphasize that my last statement also pertains to developing countries. The EU sometimes advertises its position as a tool for promoting the development agenda because GIs offer a good way of protecting—at least in an indirect manner—traditional knowledge extant in developing countries by granting the exclusive right to use the names of regions from which traditionally manufactured products historically originate in commerce only to such regions. I think that the argument is inherently flawed. If—as in the case of the Brazilian plant variety list mentioned before—this would lead to countries communicating to one other, and claiming exclusive protection of a huge number of such designations—who can seriously believe that anyone will actually derive substantial profit from such practices? The most likely results are merely the creation of additional impediments for trademark protection and, ultimately, chaos. Thus, I really do not think that this is a tenable position.²⁸

PROFESSOR HUGHES: Thank you, Annette.

One thing that happens in a panel like this is that since everyone is so expert, we often may not be explaining everything that is going on in our heads as we go on. So let me try to fill in a little bit on some things.

²⁷ World Intellectual Property Organization [WIPO], *Communication from the Permanent Mission of Brazil*, at 2, WIPO doc. SCT/16/7 (Sept. 29, 2006), available at http://www.wipo.int/edocs/mdocs/sct/en/sct_16/sct_16_7.pdf.

²⁸ See Annette Kur & Sam Cocks, *Nothing but a GI Thing: Geographical Indications under EU Law*, 17 *FORDHAM INTELL. PROP. MEDIA & ENT. L.J.* 999 (2007) (companion piece to Dr. Kur's presentation).

What Lynne and Annette refer to as the European law, we commonly call the “Origins Regulation.”²⁹ The case that Australia and the United States brought against the European Union on the Origins Regulation had a couple of different and distinct claims.

Originally—as Annette correctly described it—one of the main claims was that the EU system required a country to have a parallel, equally strong geographical indications appellation system as a precondition of EU registration.³⁰ So, obviously, the United States was not eligible; Jamaica was not eligible; lots of countries were not eligible, particularly in the New World.

There were also procedural hurdles in the Origins Regulation that made it simply impossible for Jamaicans, Colombians, Sri Lankans, or Americans to apply, because as the EU originally drafted the Origins Regulation, it required that a European Union member government present an application for registration.³¹ Of course, if you are a Sri Lankan, you do not have a European Union member government to present your application.

So there were many problems with the Origins Regulation. Perhaps the recent amendments have ameliorated these issues, but it is too soon to know with any certainty.

Annette is completely correct in stating that European Union countries also have certification mark systems. One vast problem that the EU member countries have failed to work out amongst themselves is the relationship between geographical indication protection at the EU level and certification mark protection in different countries. I know Lionel Bentley at Oxford has written about this, for example.³²

²⁹ Council Regulation 2081/92, On the Protection of Geographical Indications and Designations of Origin for Agricultural Products and Foodstuffs, 1992 O.J. (L 208) 1 (EC), *superseded by* Council Regulation 510/2006, On the Protection of Geographical Indications and Designations of Origin for Agricultural Products and Foodstuffs, 2006 O.J. (L 93) 12 (EC).

³⁰ See WTO Panel Report on Origins Regulations, *supra* note 12, ¶ 7.38; Hughes, *supra* note 3, at 328.

³¹ See Hughes, *supra* note 3, at 326.

³² Lionel Bentley & Brad Sherman, *The Impact of European Geographical Indications on National Rights in Member States*, 96 TRADEMARK REP. 850 (2006).

Now, finally, everyone has been talking about this Article 23.³³ You need to understand the difference Annette was talking about between Article 22³⁴ and Article 23. Article 22 states that countries are required to protect geographical indications at a confusion standard—a likelihood of confusion, or deception standard—familiar to any trademark law practitioner in any country.³⁵ Article 23 affords wines and spirits an additional non-confusion-based standard of protection, a kind of protection that you might think of as a dilution standard of protection—French law describes it as usurpation protection—that protects the mark against any usurpation by anyone else.³⁶ This obviously is an extremely strong kind of protection.

I make that kind of introduction because our next speaker, Ken Plevan, who, as I said, is one of the co-heads of the IP practice at Skadden Arps—and I failed to mention he is also an adjunct faculty member here at Fordham where he teaches advanced trademark law, so this is really an all-professor panel here—is of the view that the law protects trademarks and GIs against dilution too stridently, and at the expense of free expression. With that, I would like to turn it over to Ken.

MR. PLEVAN: Thank you.

³³ TRIPs, *supra* note 1, art. 23.

³⁴ *Id.* art. 22.

³⁵ *See id.* art. 22(3).

³⁶ Article 3 of the Lisbon Agreement, the multilateral agreement dedicated to geographical indications in general, expressly mentions the “usurpation” standard. *See* Lisbon Agreement for the Protection of Appellations of Origin and their International Registration, art. 3, Oct. 31, 1958, 923 U.N.T.S. 197 [hereinafter Lisbon Agreement]. In the TRIPs negotiations, the EU originally proposed this standard for all geographical indications. *See* Hughes, *supra* note 3, at 318–19. The French “usurpation” standard for the protection of geographical indications stems from article L. 115-5 of the Code de la Consommation. *See* C. CON. art. L. 115-5 (FR.) (“[L]e nom qui constitue l’appellation d’origine . . . ne peuvent être employés pour aucun produit similaire. . . . Ils ne peuvent être employés pour aucun établissement et aucun autre produit ou service, lorsque cette utilisation est susceptible de détourner ou d’affaiblir la notoriété d’appellation d’origine.”) [The name that constitutes the *appellation d’origine* cannot be used for any similar product. They cannot be used for establishment or any other product or service, when this use is likely to divert from or weaken the reputation of the *appellation d’origine*.].

Professor Hughes commented before about the problems you encounter when you have a panel where everyone is an expert, so I want to take a different approach today and explain first why I actually know nothing about these topics.

When Hugh Hansen called me and left a message, I thought he said he wanted me to speak on geographical limitations, i.e. territorial restrictions, which is a field I know something about, so it came as quite a surprise when I found out today's topic was geographical indications, which I knew nothing about. I tried to get my partner to handle the presentation, and that is why my name is not in the program. Yesterday he told me he was too busy to do it. I think it is useful on every panel to have one speaker who knows nothing about the topic, to try to give a fresh approach to it.

Now, regarding my qualifications on this topic, I did not know what that raisin symbol stood for, I did not know until yesterday that popular deli meat had anything to do with a place in Italy, and I certainly did not know that parmesan cheese had something to do with the region of Parma in Italy. I am not, however, afraid to pronounce "Montepulciano" in a public audience.

I also remember—and this is accurate—when I was first old enough to eat in a restaurant—and these were not, believe me, fancy restaurants, this would have been in the early-to-mid-1960s—that I used to go in and ask for Roquefort dressing on my salad. Even in those inexpensive places I was dining in at the time, the menus all changed over a period from the late-1950s to the mid-1960s. So "Roquefort" disappeared and the term "bleu cheese" replaced it. Even the waiter or waitress, the person who was serving me, if I said "Roquefort dressing," they would say "bleu cheese."

So now I open it up so you all can decide whether or not we are worse off for that or better off for that. But we certainly at that time got used to the fact that ROQUEFORT, as I learned this morning, is a registered mark, so you can't describe a dressing as Roquefort unless the bleu cheese in it comes from the appropriate region in France.

What I wanted to talk about this morning at least for some of my time—as Professor Hughes indicated—is the question of

whether if we were to apply that higher standard, the property rights standard, for wine and spirits in the United States, whether that would qualify, or pass muster, under the First Amendment.³⁷ So what I am really talking about is not trademarks, but rather the matter of genericness.³⁸

What it seems to me that this would do is take words and phrases or descriptions, geographical indications that are already generic, and considered so by consumers in the United States, remove them from this category, and give them some kind of a property right.

Historically, there is very little interface between trademark law and First Amendment law. I have been listening carefully. Commissioner Beresford did not mention the First Amendment at all in her presentation. So why not? Why is the First Amendment unimportant in the context of trademark law?

The main reason is that trademark infringement requires deceptive or misleading speech,³⁹ and what we are talking about today is a property right that does not inherently contain deception. This is what Judge Kozinski, in the Mattel Barbie Doll case, referred to as “the First Amendment compass of trademark law;”⁴⁰ the compass that inherently keeps trademark law away from First Amendment problems, because of the requirement that you must have a likelihood of confusion in order to prevail in an infringement case.⁴¹

Now, there are some other buffers. One, of course, is the genericness exception. Generic marks are not trademarks, and thus do not fall under the ambit of trademark protection.⁴²

The third buffer is the fair use doctrine.

³⁷ U.S. CONST. amend. I.

³⁸ See, e.g., 2 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 12:1 (4th ed. 2007) (addressing genericness).

³⁹ See, e.g., 15 U.S.C. § 1127 (2000) (“making actionable the deceptive and misleading use of marks in [] commerce”).

⁴⁰ Mattel, Inc. v. MCA Records, Inc., 296 F.3d 894, 905 (9th Cir. 2002).

⁴¹ See *id.* (citing Cent. Hudson Gas & Elec. Corp. v. Pub. Serv. Comm’n of N.Y., 447 U.S. 557, 566 (1980)).

⁴² See, e.g., MCCARTHY, *supra* note 38, § 12:1.

So what law would apply? Well, the law that you would apply to this heightened property right would presumably be the test that the Supreme Court set down in the *Central Hudson* case,⁴³ which is still good law. *Central Hudson* is the test you apply if the government is trying to proscribe commercial speech that is not deceptive, but truthful.⁴⁴ The government must have a substantial interest, the regulation must directly advance the government's stated interests, and it cannot be more extensive than necessary to serve this interest.⁴⁵

As far as some case law, there is the case of *San Francisco Arts and Athletic, Inc. v. U.S. Olympic Committee*.⁴⁶ In this case, a group in San Francisco decided that they were going to hold the Gay Olympics.⁴⁷ Statutory law states that the U.S. Olympic Committee has the exclusive right to use the Olympic symbol and the word "Olympics," I believe, for all commercial purposes,⁴⁸ so the U.S. Olympic Committee sued and obtained an injunction against this group in San Francisco.⁴⁹ This was back in the mid-1980s.

The Supreme Court heard the case in 1987.⁵⁰ In a series of opinions, meaning the court split 5-2-2—there were two concurring and dissenting opinions—the Court upheld the statutory restriction on use of the Olympic symbol and the word Olympics.⁵¹ The Court examined the rationale behind Congress' decision to protect the Olympics and held it to be valid.⁵²

Now, this was not a perfect *Central Hudson* case in that the Court did not fully apply the *Central Hudson* analysis, because there was at least a comment in the majority opinion that use of the term Olympics in the "Gay Olympics" might cause consumer

⁴³ *Cent. Hudson*, 447 U.S. 557.

⁴⁴ *Id.* at 564.

⁴⁵ *Id.*

⁴⁶ 483 U.S. 522 (1987).

⁴⁷ *Id.* at 525.

⁴⁸ 36 U.S.C. § 220506 (2000).

⁴⁹ *San Francisco Arts*, 447 U.S. at 527.

⁵⁰ *Id.* at 522.

⁵¹ *Id.* at 548.

⁵² *Id.* at 532–35.

confusion.⁵³ The Court did construe the statute as proscribing truthful, non-confusing speech, but it also found that the proscriptions the statute established protected a substantial governmental interest.⁵⁴

There is also the somewhat older case of *Friedman v. Rogers*, which involved regulations on optometrists in Texas.⁵⁵ Texas law proscribed the practice of optometry unless you used your own personal name.⁵⁶ You could not use a business name, like “North Houston Optometrists.” The Supreme Court suggested in this case that trademarks are a lower form of commercial speech because in contrast to other forms of commercial speech that provide information about price, quality and the like, trademarks “have no intrinsic meaning.”⁵⁷

With this background, I still question very much whether in today’s climate the Supreme Court would find that Congress has a proper governmental interest in protecting wine growers in foreign countries under American law. I think it would be very difficult for the Court to uphold such legislation under the weight of a serious First Amendment challenge.

Importers certainly can put down on their parmesan cheese where it came from, and they can say “this is true, genuine, Parmigiano Reggiano cheese, made in the Parma region of Italy.” So there are other ways of identifying such products. And, presumably, the many Americans willing to pay the extra twenty to thirty percent for the better quality of authentic regional products would be able to figure this out. For those, frankly, who do not care about quality and authenticity, why should they pay this price premium?

The analogy is, of course, the federal dilution statute.⁵⁸ First, we could say: are American trademark holders and the Patent and Trademark Office great defenders of the First Amendment? Well, probably not. It is probably really more of an economic thing. We

⁵³ *Id.* at 539.

⁵⁴ *Id.* at 536–39.

⁵⁵ *Friedman v. Rogers*, 440 U.S. 1, 3 (1979).

⁵⁶ *Id.*

⁵⁷ *Id.* at 12.

⁵⁸ 15 U.S.C. § 1125 (2000).

know that from the federal dilution statute, because the owners of the most powerful trademarks in the world lobbied Congress to enact the statute. What did these powerful trademark owners want the dilution statute to protect? I suggest they wanted it to protect the sensibilities of vice presidents of marketing at powerful companies who are somehow offended when someone else uses their company's trademarks without actually causing confusion. Now, is that a substantial government interest? It probably is to a Republican Congress. I wonder whether the Congress in office today would have passed the dilution statute if the bill were up for vote today.

I personally think that the dilution laws are of dubious constitutionality. I hope that someday the Patent and Trademark Office will concur, and withdraw their regulations that try to adopt references to dilution in the registration process.

But, obviously, the First Amendment is a very particular U.S. phenomenon. It does not, as I understand it—I may be wrong—apply in the rest of the world. So Americans do approach these sorts of problems differently than do Europeans.

It is a bit like the territorial restriction, in that what is right in the United States is not necessarily right in Europe. One of the reasons for this is that European consumers have a different view on these things than American consumers.

Like the great example of the dispute between Budweiser and Budvar that has been going on for years in Europe.⁵⁹ It would be very difficult, I think, to convince many American beer drinkers—who, but for this legal dispute, would probably have no knowledge of the fact that Budvar is a province in the Czech Republic historically renowned for centuries for making beer—that there is confusion over these two beer-related terms in parts of Europe, for there is certainly no confusion in the United States.

So I defer to everyone else on the panel to figure out how we harmonize two clashing interests, where everything works fine

⁵⁹ See generally Hughes, *supra* note 3, at 329–30 (noting the nature of the ongoing dispute between Anheuser-Busch, owner of the Budweiser brand of beer, and the Czech town of Budvar, a historical beer-brewing locale, and the lack of any palpable resolution to this matter).

here in the United States; and, on the other hand, legitimate interests may well exist—particularly at that lower level of protection in the context of deception—because European consumers have different reactions than American consumers.

Thank you.

PROFESSOR HUGHES: Thank you.

Well, a “clash of interests” set things up appropriately for Susan, because in addition to being a Visiting Professor here at Fordham and a Professor at Southern Methodist University’s Law School, Susan is also the author of a book entitled *Who Owns Culture? Appropriation and Authenticity in American Law*,⁶⁰ so she has spent a huge amount of time thinking about issues of free expression and free markets versus identity and identity politics and a sense of belonging as well as a sense of ownership in cultures. So I think it is excellent to have Susan bringing this together for us as a wrap-up speaker.

PROFESSOR SCAFIDI: Thanks, Justin.

Thank you so much, Hugh, for inviting me to speak, and to members of the IP Law Journal for organizing this event.

When Justin mentioned that he was speaking on GIs, people asked him about his health. When I mentioned the same thing to a colleague, he said, “Oh, we’ll never get them out of Iraq.” So there is much confusion over exactly what we are talking about today, but I can assure you I will do my best to stay on topic.

I am speaking today about the relationship between geographical indications and cultural property, particularly intangible cultural property. Justin was kind enough to mention the book *Who Owns Culture?*, in which I substitute the term “cultural products” for “intangible cultural property,” because it is shorter to type, and also emphasizes the ongoing nature of cultural production in the form of things like cuisine, dance, dress, music, and traditional medicine.⁶¹

⁶⁰ SUSAN SCAFIDI, *WHO OWNS CULTURE? APPROPRIATION AND AUTHENTICITY IN AMERICAN LAW* (2005).

⁶¹ *Id.* at ix–x.

With this juxtaposition between GIs and cultural products in mind, I would like to turn back to a discussion of the categories of GIs. Under TRIPs, there are two different levels of protection for two different types of GIs: wines and spirits, on the one hand, and a second category labeled, “other.”⁶² I believe it is possible to subdivide further the category of “other.”

One could find all the examples of GIs the panel has offered today on the menu at a nice cocktail party—wine, cheeses—and Justin happily mentioned chocolate, which I was pleased to hear. In other words, all of the common examples used in the EU-U.S. debate on geographical indications are comestible, whether in the form of alcoholic beverages, or food and agricultural products.

The definition of GIs, however, is comprehensive enough to encompass not only food and drink, but also other categories of local creativity. In particular, it can include articles of manufacture or handicrafts. Although articles of manufacture that qualify for protection as GIs exist in Europe—Swiss watches or Turkish carpets, for example—they have particular significance in the developing world. In the interest of broadening this panel beyond the concerns of the global North, it is important to focus on handicrafts as well as food and drink.

Now, as you know, the TRIPs Agreement describes rights that are negative, rather than affirmative. While TRIPs mandates that subscribing nations provide legal means of preventing misleading uses, it does not require member countries to provide for registration of GIs as a separate protected category. Each country may choose to fulfill its TRIPs obligation either by creating a specific registry for GIs, or by simply incorporating them within a system of trademarks and preventing misleading registrations, as Lynne said.⁶³ TRIPs provides greater protection for wine and spirits, barring not only use of inaccurate designations, but also use of such designations alongside words like “style,” “type” or “kind” that could foster confusion.⁶⁴

⁶² See TRIPs, *supra* note 1, arts. 22–23.

⁶³ *Id.* art. 22(2).

⁶⁴ *Id.* art. 23(1).

In order to understand fully the scope of GI protection in the TRIPs Agreement, it is necessary to go beyond the definitions and requirements in TRIPs and compare them with some other definitions. TRIPs' definition of GIs, of course, requires that a protected good have "a given quality, reputation, or other characteristic [that] is essentially attributable to its geographic origin."⁶⁵ In other words, the TRIPs requirements are stricter than mere indication of source.

TRIPs, however, is somewhat less specific in this regard than its predecessor treaty on appellations of origins, the 1958 Lisbon Agreement, which requires that the quality and characteristics of a good be "due exclusively or essentially to the geographical environment, including natural and human factors."⁶⁶ Membership in the Lisbon Agreement has always been somewhat limited; membership was originally a European consortium joined *inter alia* by Mexico, an interesting example to which we will return shortly.⁶⁷

Given my role as a scholar of culture, I am particularly interested in the human factors that are part of the geography mentioned in Lisbon, and might arguably be implicit in TRIPs as well. I would argue that they are most relevant to the third category I suggested to you within GIs, articles of manufacture or handicrafts.

Surely, when we focus on wine and spirits, the knowledge and experience of the winemaker is important. Perhaps this is less so when we are talking about a farmer growing VIDALIA onions—I don't know how much specific human knowledge and skill that involves as compared with growing generic onions, but then, I'm not an onion farmer. When we focus on handicrafts, however, the input of the artisans is arguably more important than the input of things like climate, and other aspects that, if we were discussing wine, we would call the *terroir*. The category of handicrafts is the one that most overlaps with the things that I have studied in the

⁶⁵ *Id.* art. 22(1).

⁶⁶ Lisbon Agreement, *supra* note 36, art. 2.

⁶⁷ For a list of nations currently adhering to the Lisbon Agreement, see WIPO, Members of WIPO Bodies, http://www.wipo.int/treaties/en/ShowResults.jsp?lang=en&search_what=B&bo_id=11 (last visited Apr. 10, 2007).

realm of intangible cultural property, and so I will focus on this category for the rest of my time.

Lynne has already noted the relationship between the function of trademarks and the function of GIs, as has Annette. I would add that geographical indications, or at least appellations of origin, also serve a purpose related to what I have called “authenticity marks” in other work, the kinds of marks that may take the form of collective marks but whose most important role is to allow a cultural group to establish a formal relationship between the community at large and the goods or cultural products that such a group creates.

Annette also noted that communal nature is an important attribute of GIs. From this perspective, I believe that GIs serve an attributional function by allowing communities to capture the additional economic value of authenticity, something like what Ken described, rather than just a grant of economic monopoly. For example, everyone can join the winemakers of Champagne in making champagne, but the rest of us just have to call it “sparkling wine.” GIs are not a limit on actual creation of these goods, but rather mere a constraint on nomenclature.

Some examples of legal attempts to facilitate the use of communal marks or attributive marks outside of the GI context include things like the Indian Arts and Crafts Act of 1990,⁶⁸ as well as similar public-private efforts to protect the Maori in New Zealand⁶⁹ and aboriginal peoples in Australia, although in Australia the particular mark is no longer active.⁷⁰

The difference, then, between geographical indications and other kinds of authenticity marks or attributional marks is that the latter focus on membership in cultural groups rather than on

⁶⁸ Indian Arts and Crafts Act of 1990, Pub. L. No. 101-644, 104 Stat. 4662 (codified as amended at 18 U.S.C. § 1159 & 25 U.S.C. §§ 305, 305d, 305e (2000)).

⁶⁹ For information about the “Maori Made” mark, see Creative New Zealand Arts Council of New Zealand Toi Aotearoa, The Toi Iho Maori Made Mark, http://www.creativenz.govt.nz/funding/other/toi_iho.html (last visited Apr. 10, 2007).

⁷⁰ For information about the Australian National Indigenous Arts Advocacy Association’s former label of authenticity program, see Arts Centre of Australia Online, Certificate of Authenticity, <http://www.artslaw.com.au/LegalInformation/Indigenous/Certificate%20of%20Authenticity.asp> (last visited Apr. 10, 2007).

physical or geographical location, although in the case of many indigenous groups or local groups there is substantial overlap between the two. In other words, the categories of familial relationship and physical location can be roughly coextensive.

Of course, focus on membership has its own problems. Who is a member of a Native American nation? Who has the right blood lines? Who has lived in an area long enough to be part of the community? This set of issues, however, does not arise in the context of geographical indications.

Human migration, of course, makes establishing the relationship between human artisans and geographical indications much more complicated. One of the typical U.S. objections to protection of GIs that Lynne did not mention is the issue of emigrants, people who leave their countries—artisans who leave their countries in the current example—who wish to continue their work elsewhere. This phenomenon informs the Old World/New World debate that persists in the international dialogue regarding GIs, as compared with the usual global North/South debate that exists in other areas of IP law.

In my view, the reality of emigration is an issue that the law must address in the context of GI protection for articles of manufacture and handicrafts. How should the legal system treat a craftsperson who leaves his or her country and wishes to continue producing an artisanal good elsewhere and referring to it by its traditional name? This is an important concern, and one to which we shall return shortly.

First, however, let us consider the question of why we bother to protect these products at all, especially when we are talking about handicrafts. Well, I think that Annette disposed of one argument a little too quickly perhaps: the idea that this sort of thing can benefit economies and groups of individuals who produce less high-tech IP—in other words, the developing world. Okay, if Brazil tries to register 5,000 different names, this may be a bit much, but I think that when we discuss support for microenterprise, these kinds of GIs, or attributional marks of some sort, can be important. Allow me to concretize this type of initiative briefly.

I mentioned that Mexico was a member of the old Lisbon Agreement. One of the more interesting aspects of Mexico's participation is that has consistently maintained, alongside TEQUILA and AGAVE, registrations for categories of regional handicraft. Specifically, Mexico protects TALAVERA, a kind of intricate lacquer work often seen on wooden trays and boxes, and OLINALA, a type of pottery.

India is an example of a country that has more recently turned to GIs to protect regional handicrafts under a recently adopted Geographical Indications Act.⁷¹ Last week, India reported that it now has twenty-eight registered GIs.⁷² I reviewed this list. Approximately three-quarters of these GIs are handicrafts of some sort, including many textiles; none of them are wines or spirits.⁷³ You saw DARJEELING tea among the panel's earlier examples; it is one of the agricultural products on the Indian list. The vast majority, however, are handicrafts. It has become important to development in rural areas of India to focus on artisans, and GIs may be a way to help them promote their work. A wonderful news report about India's National Institute of Fashion Technology and its project to send students to aid the rural poor in attempting to market their handicrafts underscores this point.⁷⁴ Although registering a GI is no guarantee that economic benefit will ensue, the additional benefit of a recognized name—a geographical indication safeguarded against misappropriation—at least has the potential to avert exploitation of traditional names by outsiders.

In the context of the global South, the economic potential of GIs offers the possibility of balancing the substantial benefits of the IP system the global North has reaped, even if to date European nations have been in the best position to develop GI-protected

⁷¹ The Geographical Indications of Goods (Registration and Protection) Act, 1999, No. 48, Acts of Parliament, 1999 (India), available at http://www.patentoffice.nic.in/ipr/gi/gi_act.PDF.

⁷² 28 *Products Registered as Geographical Indications*, INDLAW NEWS, Nov. 9, 2006, <http://indlaw.com/guest/news/viewnewsDetail.asp?NewsID=1a2edd6ded7684284b5157856327346e.xml> (last visited Apr. 10, 2007).

⁷³ See *id.*

⁷⁴ Jyoti Verma, *Giving Craft a Touch of Fashion*, FINANCIAL EXPRESS, Oct. 15, 2006, http://www.financialexpress.com/fe_full_story.php?content_id=143468 (last visited Apr. 10, 2007).

resources. Once again, I must emphasize that GIs neither halt borrowing nor stop cultural interchange; they simply give additional weight to authenticity. Translated into economic engines, the creative industries GIs protect can help preserve community structures and foster the kind of pride and recognition of community authorship that starts to sound a bit like the moral right of attribution in the civil law copyright system.⁷⁵

Given these benefits of GIs, and the fact that again cultural interchange can still occur—but without appropriation of labels—I tend to lean in favor of some of these protections. As I mentioned, however, the plight of the emigrant artisan concerns me. I would thus add a proposal, perhaps thinking far into the future, to modify GI protection for handicrafts only, in recognition of the fact that they rely more on human input than on literal geography.

I suggest that in the case of emigrants who are pressured or perhaps forced to leave their homelands—whether for political, religious, or economic reasons—if they were artisans back home, they should have a limited right to continue using the geographical indication of the place they left, provided they also list the actual place of production of their goods. This formulation already falls within the parameters of the TRIPs Agreement, as long as it is not misleading.⁷⁶ In other words, a first-generation Cuban émigré could produce the “Down with Castro” brand of Cuban cigars, made in the Dominican Republic.

This proposal would give such labeling a presumption of reasonableness—a presumption that the labeling is not misleading under the circumstances described—as an additional benefit. I would also argue, however, that Cuban cigars made in the Dominican Republic should have a limited lifespan. In other words, measures to address the problem of forced emigration and the issues that impact heavily on human beings and their GIs should expire after a limited period, perhaps the longer of the life of the particular émigré or a fixed term of years.

⁷⁵ See Berne Convention for the Protection of Literary and Artistic Works, Paris Act of July 24, 1971 (as amended on Sept. 28, 1979), art. 6*bis*, S. TREATY DOC. NO. 99-27, 828 U.N.T.S. 221.

⁷⁶ See TRIPs, *supra* note 1, art. 22(3) (prohibiting the use of geographical designations that mislead the public).

Certain geographic locations and their unique physical and cultural characteristics play an important role in the production of goods, a category not limited to food and drink. If we are to reach international agreement on a system for recognizing GIs, we must not simply engage in a U.S.-EU debate over agricultural products and trade policy. Instead, we must also attempt to balance the often-ignored human factors that are part of local production, especially in the context of handicrafts, with the desire to literally “spread the wealth” across the globe—and concurrently address our equitable concerns about whether the law should recognize GIs at all.

With six seconds left, thank you very much.

PROFESSOR HUGHES: You timed yourself perfectly. You actually seem to have practiced that. Professors rarely have that amount of precision in the timing of their talks.

We have forty minutes for questions and answers and discussion. I am certainly happy to lead it off, taking the moderator’s prerogative, but I would really like to turn to the floor and ask people to ask their own questions, about things they did not understand in our presentations—clarification of the actual legal situation or political situation—as well as policy questions and policy debate issues.

Annette?

DR. KUR: I do not want anyone to misconstrue my statement at the end of my presentation that was maybe a bit too brief. I do believe that providing for a system—preferably of the certification mark type—of designations reserved for and monitored by local groups of artisans is an excellent way to promote traditional skills. I am not at all opposed to that.

I was arguing against the theory that indigenous communities would automatically profit from an extension of the GI protections Article 23 of TRIPs currently affords to wines and spirits⁷⁷ to all sorts of products. Such claims are wrong. A type of protection that goes in the direction of a certification mark regime would better serve the relevant objectives.

⁷⁷ See TRIPs, *supra* note 1, art. 23.

It is also important to note in this context that the registration of signs as such is not sufficient. Individuals often forget this in discussions. The vital thing is to realize that marketing power must back GIs to make them an effective tool in commerce. Lawmakers often promise indigenous societies that once protection for their designations is secured, everything will work out fine—that they will find themselves in the same enviable, and profitable, position as the makers of “Champagne.” This is of course not true. The owners of GIs first need to make the world aware of their existence, and of the unique qualities of their products. This requires substantial marketing efforts directed towards countries where customers might be willing to spend extra money on such products.

These aspects of course do not automatically apply in a system that simply confers worldwide protection on thousands of national designations. That was my only point.

PROFESSOR HUGHES: I think that is an excellent point. The European Commission selling the idea that “you register this and you will be as rich as the champagne growers” to developing countries has bothered me as well.

Of course, not to completely besmirch the European Commission, there is a natural tendency of lawmakers and bureaucrats, and probably professors, to confuse the piling-up of laws with the piling-up of capital. There is a tendency to sell the piling-up of additional IP protection as a way to build up reputational capital, but as Annette said, the real issue is developing the reputational capital.

Those of you who read the New York Times devoutly, in the past saw a story about Rwandan coffee.⁷⁸ Rwandan coffee has in the past twenty-four or thirty-six months built up tremendous reputational capital, with no additional legal protection. I do not even know if they have a certification mark in the United States. These growers are perhaps doing it with common-law certification mark protection, so that is a very fair point.

⁷⁸ Laura Fraser, *Coffee, and Hope, Grow in Rwanda*, N.Y. TIMES, Aug. 6, 2006, § 3, at 1.

Yes, sir?

QUESTION: I am Zhang Naigen [phonetic] from Shanghai, China. I am the Director of the Intellectual Property Center at Fudan University.

I have a question for both the Commissioner and the professor from Munich regarding national treatment, in particular in the context of GIs because this is the critical issue before the panel. I am wondering how to apply national treatment to GIs registered at the EU level, because the European Union is not a nation; it is a regional organization. So how do you apply national treatment to GI registration at the EU level? This is a question for both the Commissioner and the professor from Munich. Thank you.

PROFESSOR HUGHES: The question was, because the European Union is a supernational entity, how does national treatment law apply in the context of GIs?

I think that the answer to that is rather straightforward. Go ahead.

DR. KUR: The European Union has acceded to TRIPs, and TRIPs imposes national treatment.⁷⁹ Therefore, the Community legislature must abide by the provisions of laws enacted at the Community level. I do not think anyone would doubt that.

QUESTIONER: But the [inaudible—off-microphone] indicated that the EC emphasized that it is not [inaudible] the TRIPs Agreement. So I am wondering why the emphasis is on the EC or the EU; because for the WTO it is not EU, it is the EC, not a separate territory. That is an argument from the EC. For this case, I think—because the Commissioner mentioned that as of now, there is no registration of foreign GIs in the European Union—that is the fact. Even for Chinese exporters, for example, their goods originated in China, not in the EC territory, so these are political issues. I would like, in particular, for the Commissioner from the United States to address how to apply for national treatment.

PROFESSOR HUGHES: First of all, as a matter of simple application, because the EU GI-R creates a form of protection in each EU Member State, it does not matter whether you

⁷⁹ TRIPs, *supra* note 1, art. 3.

conceptualize it as the European Union failing to provide this form of intellectual property protection or as France or Spain failing to provide this level of protection. In other words, France is not offering to Jamaicans, Canadians and Americans the level of protection it provides to Spaniards, Portuguese and French, and that is a denial of national treatment.

DR. KUR: Now it is getting very technical. First, we are talking about a Regulation that applies on the EU level, not about national law. There is no way to blame France for not granting protection based on an EU Regulation. Only the European Union is responsible.

The question, however, seems to address the relationship between the European Union and the European Communities. Strictly speaking, “EU” refers to the European Union, which arose out of three agreements,⁸⁰ of which the EC Agreement is only one. The EC, i.e. the European Communities, passed the relevant GI legislation. This is probably why the WTO Panel report referenced the EC rather than the EU. It is true, on the other hand—and this is what the question seems to aim at, if I understand it correctly—that the EU, and not the EC, has acceded to TRIPs. Obviously, the panel did not regard this as a problem, probably because the obligations the EU incurred under TRIPs would seem to bind the EC as well, but this is a very technical question. I do not think that we have to go into this.

PROFESSOR HUGHES: I think it is very technical, but you can still make the case that France as a WTO member is providing a form of protection. Whether it is a Community-wide regulation or the Directive implemented in France, it does not matter. It is a form of law.

DR. KUR: Let’s not pursue that.

PROFESSOR HUGHES: Okay.

Another question?

⁸⁰ See generally DESMOND DINAN, *EUROPE RECAST: A HISTORY OF THE EUROPEAN UNION* 233–64 (2004) (chronicling the formation of the European Union through the 1957 Treaty of Rome, the 1992 Maastricht Treaty, and the 2004 Treaty Establishing a Constitution for Europe).

QUESTION: I have a question for the final speaker, Professor Scafidi. How would you suggest within your regime that—my concern is, say, for the Native American Arts and Crafts Act⁸¹—how would you protect against handiwork that Native Americans did not actually make? What would be the solution for preventing this sort of fraud?

PROFESSOR SCAFIDI: I do not have a regime yet, but maybe I will one day. That is a good question.

I think that the history of Indian Arts and Crafts Act helps answer it. Congress passed the Act in response to lots of cheap copies of Native American jewelry—silver and turquoise jewelry—flooding in from other parts of the world, where producers manufactured it cheaply, then brought to American and labeled “Native American.”⁸² This same flood continues. The difference now is that the Act proscribes this jewelry from bearing labels such as “Native American” or “American Indian” unless a Native American artisan actually makes it.⁸³

The question then, of course, is: what is a Native artisan? That gets very complicated, because it goes back to specific tribal enrollments.⁸⁴ Some individuals contest this system at the margins, because it bars some people from enrolling even though they have specific Native American heritage. The system is not perfect.

The benefit, however, is essentially this: if something bears a false label, then it is subject to challenge, as well as civil and criminal penalties.

⁸¹ Indian Arts and Crafts Act of 1990, Pub. L. No. 101-644, 104 Stat. 4662 (codified as amended at 18 U.S.C. § 1159 & 25 U.S.C. §§ 305, 305d, 305e (2000)).

⁸² See Jennie D. Woltz, Note, *The Economics of Cultural Misrepresentation: How Should the Indian Arts and Crafts Act of 1990 Be Marketed?*, 17 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 443, 454–56 (2007).

⁸³ See Indian Arts and Crafts Act of 1990, Pub. L. No. 101-644, §§ 104–105, 104 Stat. 4662, 4663–64 (codified as amended at 18 U.S.C. § 1159 & 25 U.S.C. §§ 305, 305d, 305e (2000)).

⁸⁴ See Woltz, *supra* note 82, at 450–453.

MR. PLEVAN: There is a deception standard inherent in the statute, as I recall.⁸⁵

PROFESSOR SCAFIDI: Yes.

QUESTION: I am curious regarding the issue of fair use in the context Article 23 and Article 22, and what exceptions, if any, exist. If products such as American KOBE beef, or KOBE beef in general, were elevated to the level of Article 23 protection, what would happen to producers of such products?

PROFESSOR SCAFIDI: I think it would be a lot more serious in terms of wines and spirits, and I think I touched on that briefly. Certainly, Lynne would want to elaborate on that more.

You would not have those fair use permissions with respect to wine and spirits, even if you have the correct designation alongside the potentially misleading designation. With respect to everything else, under Article 23 it might be fine.

PROFESSOR HUGHES: I think that is right. I do not think anyone believes that another country could bring a WTO case against the United States for our nominative fair use doctrine, for example,⁸⁶ so I think it is not a problem under the Article 22 deception standard.⁸⁷

Under the Article 23 standard for wine and spirits, as everyone has talked about, the relevant standard is really kind of dilution, or maybe dilution plus.⁸⁸ I do not want you to think it is across the board, because in the Lisbon Agreement it is arguably across the board,⁸⁹ but in TRIPs it is specific to the product category.⁹⁰

And as Susan said, you cannot say things like “imitation cognac,” you cannot say “cognac-like,” you cannot say “fake cognac.” Now, most of us would agree that if the label says “fake

⁸⁵ Indian Arts and Crafts Act of 1990, Pub. L. No. 101-644, §§ 104–105, 104 Stat. 4662, 4663–64 (codified as amended at 18 U.S.C. § 1159 & 25 U.S.C. § 305e (2000)).

⁸⁶ See TRIPs, *supra* note 1, art. 17. Countries may provide for exceptions to trademark protection, although Article 17 only expressly recognizes descriptive fair use (“such as fair use of descriptive terms . . .”). *Id.*

⁸⁷ See TRIPs, *supra* note 1, art. 22(2)–(3).

⁸⁸ See *id.* art. 23(1).

⁸⁹ See Lisbon Agreement, *supra* note 36, art. 3.

⁹⁰ See TRIPs, *supra* note 1, art. 23(1).

cognac,” that is not truly confusing; no one is going to be confused, so if you think that this is a fair use of the term COGNAC, the U.S. is now obligated by treaty not to permit such use.

I find that quite interesting because, if you are a trademark person, attach that to your ideas of comparative advertising. We certainly believe that Pepsi should be able to run ads to say “we’re not Coke; we taste better.” On the other hand, there is not as far as I know—and Ken may know much better than me—in the comparative advertising doctrine in the United States, any case where Pepsi-Cola or a company like that has put “Coca-Cola-like product” or “imitation Coca-Cola” on their label.

I have a suspicion that, while we might say, “Hey, the comparative advertising is great,” a judge might say, “You know, you’ve crossed a little line there. ‘Coke-like product’ on your label is going too far.” If that is your intuition, then maybe Article 23 is not that far out.

Ken?

MR. PLEVAN: The only thing I can think of quickly is the case that goes something like—I always forget which is the Calvin Klein one that sold for \$200 a little bottle—“If you like OPIUM, you’ll love OBSESSION.”⁹¹ It is probably the other way around, and maybe it is “If you like OBSESSION, you’ll love OPIUM.”

PROFESSOR HUGHES: Actually those are both brands. You’ve got to pick another one.

MR. PLEVAN: But there are cases where it was that kind of a comparison. I think the Second Circuit said it is just confusing because it is not clear; it is not a true comparison.⁹² The true comparative ad is one where you say your product is better than

⁹¹ *Charles of the Ritz Group Ltd. v. Quality King Distribs., Inc.*, 832 F.2d 1317 (2d Cir. 1987). Charles of the Ritz, manufacturer of a fragrance it billed as OPIUM that lawfully bore the Yves Saint Laurent brand name, actually took issue with discount fragrance producer Deborah International Beauty’s use of the phrase “If You Like OPIUM, a fragrance by Yves Saint Laurent, You’ll Love OMNI, a fragrance by Deborah Int’l Beauty. Yves Saint Laurent and Opium are not related in any manner to Deborah Int’l Beauty and Omni” as an advertisement on the exterior packaging of its less-expensive, imitation scent OMNI. *Id.* at 1318.

⁹² *Id.* at 1323.

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that of a competitor; you make a true comparison, and so no consumer is confused. Those cases simply came down as confusion. I do not buy those sorts of perfumes. Those were cases decided in the mid-1980s.

The holding in the classic case that applied the fair use doctrine to comparative advertising, the METAMUCIL case in the Third Circuit, is simply that no one would be confused when you make a comparison because you are making a clear comparison.⁹³

PROFESSOR HUGHES: But am I correct that those cases are really about advertising rather than labeling? That is, Coca-Cola does not put “better than Pepsi” on its label, and we have never had a case about the label, rather than the advertising. Is that right?

MR. PLEVAN: That may be true. I cannot think of a case where a competitor’s product is mentioned on a label. But usually this is because there is a huge risk that if a competitor gets an injunction against your ad, you pull the ad and you switch it; but if a competitor gets an injunction against the label, you are in serious trouble. So manufacturers—maybe it is partly heritage from the fact that in the drug arena the FDA is involved in your label, even though they are not involved in your advertising—historically are just at greater risk with packaging.

PROFESSOR SCAFIDI: I believe the perfume cases, the Designer Imposter cases, involved not the label, but at least the store display.

PROFESSOR HUGHES: Yes, it was the display.

PROFESSOR SCAFIDI: So it was very close.

PROFESSOR HUGHES: Yes, it was very close. I agree it was the display.

Does that help some?

QUESTION: Just a comment on the last thing you said. It is fairly commonplace in the pharmaceutical arena to go to the local drugstore and see generic products that state right on the label “compare to.” So they actually do it. I have not seen a case that decides whether this is permissible, but I have certainly seen that it

⁹³ G.D. Searle & Co. v. Hudson Pharm. Corp., 715 F.2d 837, 843 (3d Cir. 1983).

is commonplace that they list “compare to,” identify a specific brand name for comparison, and usually place it on the shelf right next to the generic product so you will not be confused at all.

MR. PLEVAN: Yes, that is absolutely right.

PROFESSOR HUGHES: Very interesting.

Annette, you had something you wanted to add?

DR. KUR: Just in order to shock you a little bit more about the lengths Europeans are ready to go to protect GIs, there is an explicit clause in the Directive on comparative advertising concerning products bearing so-called “denominations of origin,”⁹⁴ that proscribes comparing such products in advertisements for other products that do not bear the same denomination. The clause is of particular importance for wines, which are thus exempt from the general rule under which comparisons are permissible as a matter of principle.

I have wondered what the outcome would be if a party challenged this clause before the European Court of Justice as clashing with the principle of free speech. In Europe, we do not have the First Amendment, but we do of course apply principles—in particular, Article 10 of the European Convention on Human Rights⁹⁵—that protect freedom of expression. It is therefore conceivable that one could challenge the clause successfully, but until now, no one has tried.⁹⁶

⁹⁴ Council Directive 97/55, art. 3a(1), 1997 O.J. (L 290) 18, 21 (EC) (“Comparative advertising shall, as far as the comparison is concerned, be permitted when . . . for products with designation of origin [the comparison] relates in each case to products with the same designation.”).

⁹⁵ Convention for the Protection of Human Rights and Fundamental Freedoms, art. 10(1), Nov. 4, 1950, 213 U.N.T.S. 222 (“Everyone has the right to freedom of expression. This right shall include freedom to hold opinions and to receive and impart information and ideas without interference by public authority and regardless of frontiers. This article shall not prevent States from requiring the licensing of broadcasting, television or cinema enterprises.”).

⁹⁶ The ECJ did have the opportunity recently to rule on a case dealing *inter alia* with reference made to the traditional method of producing Champagne in beer advertisements. Case C-381/05, *De Landtsheer Emmanuel SA v. Comité Interprofessionnel du Vin de Champagne and Veuve Cliquot Ponsardin SA*, (Apr. 19, 2007), available at <http://curia.europa.eu/jurisp/cgi-bin/form.pl?lang=EN&Submit=rechercher&numaff=C-381/05>. In a somewhat more liberal vein than what is suggested in the text above, the ECJ held that the relevant provision in the directive on comparative

PROFESSOR HUGHES: We should add that the world of wine in Europe is itself a mare's nest of regulations that we cannot even begin to talk about. For example, Australians and Americans cannot send wine to Europe and call it "table wine."⁹⁷ Americans cannot use the word "chateau" on the label; we cannot use the word "moulin."⁹⁸ So they have a whole vast network of regulations beyond the geographical indications. I am not surprised about the comparative advertising law.

Is *Wine Spectator* legal in Europe, with numbers and comparisons?

DR. KUR: I don't know. One might even have some doubts as to that.

But as you said, it needs to be emphasized that wines are very special. What we have been talking about so far is the general GI regulation dealing with foodstuffs and agricultural products, which does not cover all products, and also does not deal with wines because they have their special regulation, which is even more rigid, like you said.

PROFESSOR HUGHES: Susan, I just have to ask, isn't it a cautionary tale that wines are so integral to French and Italian identity that they end up creating a mare's nest of regulation, and that when a product is a paradigmatic cultural product there is a real risk of this happening?

PROFESSOR SCAFIDI: I think that in so many other areas of the world we are so far from that level of protection that in reality we are unlikely to approach this problem. It is certainly a cautionary tale for legislatures in terms of what laws to pass, but at the level of mere registration of GIs, not so much. That is a whole other administrative battle to fight.

advertisement "must be interpreted as meaning that, for products without designations of origin, any comparison which relates to products with designations of origin is *not* impermissible." *Id.* (emphasis added).

⁹⁷ Hughes, *supra* note 3, at 334. *See generally* Wine Institute International Department, European Wine Labeling Rules for U.S. Wines (2006), <http://www.calwinexport.com/content/Compliance/New%20US%20Labeling%20regulations%20for%20European%20Union%202006.htm> (last visited Apr. 10, 2007).

⁹⁸ NORBERT OLSZAK, *LES APPELLATIONS D'ORIGINE ET INDICATIONS DE PROVENANCE* 45 (2001).

PROFESSOR HUGHES: I think we have a gentleman there in a blue shirt with a tie and a question.

QUESTION: Hugh Hansen, Fordham Law School.

What is a mare's nest, Justin? What is that?

PROFESSOR HUGHES: A mare's nest? Are you serious?

QUESTIONER: I just never heard of it. What is it?

PROFESSOR HUGHES: It is an imbroglio.⁹⁹

QUESTIONER: I understand what it is. I could figure that out from the context. We will have to discuss this, but when this is actually printed, I want you to have an etymology.

PROFESSOR HUGHES: I grew up on a horse farm. I can explain it to you. It really is what a mare's nest is.

QUESTIONER [Professor Hansen]: Okay, we will do it.

This is for Annette. Going over to Europe, I think geographical indications present many problems. GIs first arose at a time when there was not any robust trademark law, as a form of trying to protect what we are now protecting as trademark, but trademark law as it stands also allows for horizontal competition. GIs, in contrast, are a sort of a throwback dinosaur in that they restrict horizontal competition. I think that is why the Commission is pushing GIs around as a good thing, because they engender less horizontal competition.

But when I went over there, I was surprised that Europeans actually thought of it—and tell me if I am wrong—as a good thing that GIs restrict horizontal competition, because part of this is a throwback to simpler times, when people could just sort of do things the way they always did, and not worry about the competitive effect, or the New World, or something else. It has sort of an anti-capitalistic tone, at least to people I spoke to, who

⁹⁹ A “mare’s nest” originally connoted something fraudulent, because female horses do not build “nests.” Over time, however, this suggestion of something deceptive evolved into an implication of something very complicated, complex, or untidy. *See, e.g.*, MERRIAM WEBSTER’S COLLEGIATE DICTIONARY 711 (10th ed. 1997) (defining a “mare’s nest” as either “a false discovery, illusion, or deliberate hoax,” or “a place, condition, or situation of great disorder or confusion”).

thought it was a plus of geographical indications, of insulating people from these influences. Do you see any of that?

DR. KUR: That is difficult to say. What the EU certainly intended the GI regulations to do, and what they indeed do to some extent, is protect and preserve the traditional way of doing things. So if you mean that, then I could probably agree.

It is also interesting and to some extent typical that this form of protection comes from France, where other, similar movements, like the Slow Food movement, have their origin. In this sense, it is certainly correct to say that GI protection is a reaction against uniformity, big conglomerations, and globalization.

On the other hand, when GIs are promoted on a large scale, like CHAMPAGNE, and PARMA—I may be wrong on this; maybe I am really biased also, coming from Germany, where we did not have that system, and we still do not think that it is an ideal thing to have—it seems to me that what is going on under the PARMA label both for ham and for cheese is hardly any different from big industry. I therefore have some misgivings regarding the notion that GI regulation is all about preservation of traditional, local ways of manufacturing products.

If I may, I would use this opportunity to add the following: it seems to me that we essentially agree on many issues. In particular, I share with most of you here your skepticism concerning the benefits of the EU-type of specific protection for GIs. On both sides of the Atlantic, however, we also should be aware of the risks inherent in a situation when specific protection is lacking.

Take the example of Rwandan coffee Justin mentioned a while ago. There may be a vulnerable time when a country tries to develop the marketing potential of its designations in a given foreign target country. The local consumers may not be aware of the product's origin, and that its designation has some geographical meaning. During this time, others might want to take advantage, either by registering a trademark analogous to this designation, or by using it so profusely all over the place that it becomes generic.

One example for this phenomenon is the case of Basmati rice. People in India frequently complain about Basmati having become

generic in most Western countries, and about trademark registrations having been accepted for designations like Texmati or Kasmati. They argue that the legal system should have stopped things like that in the first place.

I ask myself whether we can achieve this sort of protection, which seems to have some merits, without imposing the overwrought system of GI protection that the European Union tries to promote on the international level. Maybe one could attain results that are more sensible by resorting to general principles like prohibition of registration in bad faith. However, I'm mentioning this only as a point for discussion. I do have my questions and doubts about that.

PROFESSOR HUGHES: I am not a fan of the French regulations, but I do think the French regulations stabilize practices to some degree. They do innately when the Institut National des Appellations d'Origine says, "You must make your PONT L'EVÊQUE cheese this way" or "you must make your COMTÉ cheese this way" or "you must make your ROQUEFORT cheese this way."¹⁰⁰ In effect, it eliminates competition and it makes life simpler for farmers or makers of a given cheese, because they know exactly what they have to do to qualify for the GIs they need to market their products.

Of course, what has happened to the French wine industry is, while things were stabilized internally, the meanings of wines were standardized, and competition was in some sense curbed by a fixing of practice, New Zealanders, Australians, Americans and Argentines, who do compete, who change their wines, have absolutely pummeled the French wine industry in the global marketplace in the past ten years.

So the problem is, even if you try to stabilize a product nationally, and therefore stabilize some cultural element, you are still going to nonetheless face global competitive pressures. I think that the French lesson is a cautionary tale demonstrating that while

¹⁰⁰ Hughes, *supra* note 3, at 307–08, 332. See generally Justin Hughes, *Recoding Intellectual Property and Overlooked Audience Interests*, 77 TEX. L. REV. 923, 926–28 (1999) (asserting that even passive audiences have an interest in stabilizing and protecting cultural objects through copyright and trademark law).

there may be some value in stabilizing a cultural or local practice, this does not mean that such a practice is going to survive if it must face the changing, evolving, and improving practices of other countries.

DR. KUR: To the contrary, I think this might be a basic flaw of the French policy. If one relies too heavily on GIs designations for protection, thinking that he or she is safe since nobody else may use those terms, there is a risk this will neglect the demands of the market. Prices increase because of the protected designations, and producers lose sight of the fact that consumers are clever enough to notice that products bearing other names may be just as good, and consequently will no longer be willing to pay higher prices for the protected goods.

PROFESSOR HUGHES: Yes. One of the fascinating questions here—and then we will go to some other questions—is we do not know how valuable individual trademarks are, and we do not really know how valuable graphical indications or individual geographical indications are.

When Spain joined the European Union, Spanish sparkling wine makers had to give up the word “champagne.” They adopted the word CAVA. Nonetheless, they are selling millions of cases more of their sparkling wine than when they used the word “champagne.” Now, there are all kinds of things you cannot control for—the increasing wealth in Spain, Spanish access to the European market—but it is not necessarily the case that “champagne” was such a valuable mark for them to begin with.

PROFESSOR SCAFIDI: Let me just add quickly that none of these arguments go to whether or not the marks are harmful. They just go to whether or not you also need a good business method to support the mark. The French farmers could certainly abandon those designations and make wine in an industrial way if they chose to, so it is just a matter of what you do with your mark once you’ve got it.

PROFESSOR HUGHES: Hold on. Some of them are making wine in an industrial way already.

PROFESSOR SCAFIDI: That’s true too.

PROFESSOR HUGHES: I won't let you get away with that one, because French appellation cheeses actually have four categories: Fermier, Artisanal, Coopérative, and Industriel,¹⁰¹ so the French regulation itself recognizes that French appellation cheeses are—a certain large amount of them—made in industrial production facilities.

PROFESSOR SCAFIDI: Fair enough, but the point is that GIs are just one element that may contribute to commercial success. We certainly don't advise entrepreneurs to forego registration of trademarks because they may or may not prove valuable.

PROFESSOR HUGHES: Yes, sir, you have a question?

QUESTION: Yes. Britton Payne. I am from the Intellectual Property Journal here at Fordham.

Professor Scafidi, you were talking about authenticity and geographical indications strengthening community. That is certainly something we hear about every two years—really in every election cycle we have—about ways to strengthen community, so I am curious as to the extent that geographical indications work to this end in the United States. I ask this as a person who grew up in New Jersey and watched our two football teams play every game with the letters “NY” on their helmets.

PROFESSOR SCAFIDI: You are implying that there is culture in New Jersey?

QUESTIONER [Mr. Payne]: You know what? I am implying that there is culture in New Jersey. Not only would I say that there is in fact culture in New Jersey, but that it is squashed, sort of in a reverse-GI problem, as it becomes subsumed into the state and city of New York. I understand that you are making a joke, but I also understand that there is unprotected culture here.

I also made a list—Philadelphia cheese steaks and cream cheese, Buffalo wings, Cajun catfish—all kinds of things that ought to indicate a regional pride and a local pride, but maybe do not because we see geographical indications as a private right rather than a public right. So I am just curious, have geographical

¹⁰¹ KAZUKO MASUI & TOMOKO YAMADA, FRENCH CHEESES 28 (1996).

indications been effective in fostering a sense of community, not only in major metropolitan regions, but across the country?

PROFESSOR SCAFIDI: Sure. Of course, when we think about GIs, again we do think of them as an Old World, rather than a New World, phenomenon. We think about things that have been around for a very long time. We think of our own society, modern American society, conversely, as quite mobile, and we think of it as eroding regional distinctions. So I think in some ways it is hard for us, as Americans, to understand GIs at a very deep level.

I meant no disrespect to New Jersey, but I do think that there are certainly regional cuisines, for example, in the United States that do serve as points of pride, with or without GIs. Would it help to attach GIs to such foods?

Well, you mentioned Philly cheese steaks. My spouse is from a very, very small town in Pennsylvania, but the nearest large city is in fact Philadelphia. He is appalled to see what passes for a Philly cheese steak elsewhere, and even to see this term commercialized in other places.

With or without enforcement power, there is a response, so I do think that we have an intuition accepting of the concept of GIs, even if we do not acknowledge it in the legal system in the same manner as we do other things.

MR. PLEVAN: If I may just comment, for those of you who read the obituary pages, about six months ago the inventor of the Philadelphia cheese steak passed away.¹⁰² From a confusion point of view, even if you get what you would consider a terrible substitute for a Philadelphia cheese steak—let's say in the airport in Los Angeles—I do not think you would think it was flown in from Philadelphia. Cheese steaks are something that inherently, like French fries—or as we called them for a while, Freedom fries—nobody really believes are produced in the place they are named after. We could say the same, I suppose, of Danish pastry, although maybe you could have a different view on that—if it is fresh Danish pastry, it is not likely that it came in on the Concorde.

¹⁰² *Harry Olivieri, 90, Co-inventor of the Cheese Steak, in Philadelphia, N.Y. TIMES, July 22, 2006, at C10.*

There are a lot of names like this that you just eliminate immediately saying, “nobody really would think that they were made in Philadelphia,” even though I understand maybe we could have a certification mark that would standardize Philadelphia cheese steaks, but I doubt it.

PROFESSOR HUGHES: Can I go to what Lynne would call 30,000 feet with you on this? What you are really asking is part of a fundamental debate or dynamic in this area. That is, technology immigrates, and when technology immigrates, the terminology of the technology immigrates as well. That is why in Spanish the word for my PC is *computador* and why in Malaysia you watch a *televisi*.

As food technology migrates, the terminology migrates. That is what a recipe is when it has a geographic name; it is technology migrating and it is the terminology for the technology migrating. We simply have to decide as a policy matter when that happens and when it does not. Trademark people call it “genericization.”¹⁰³ You do not even think when you see a restaurant down this avenue advertising “Chinese food” that that is a geographic indication anymore. It is a recipe description, or a description of a category of recipes.

So what we really have to decide is when we should let the terminology migrate with the technology and when we should not. Now when you pick up *Wine Spectator*, you see “California Rhone wines.” What does that mean? Well, California Rhones are supposedly Rhone-style wines, produced by Californians using winemaking technology from the Rhone Valley. I am ambivalent about this. It is merely a certain style of winemaking and a certain style of wine, and the word comes with it. This is exactly what Susan has been talking about today.

As an immigrant nation, it is a huge issue. Do we let the Italians who make ice cream keep calling it *gelato*? So I think that you have really touched on a fundamental dynamic here.

Other questions?

¹⁰³ See, e.g., MCCARTHY, *supra* note 38, § 12:1.

QUESTION: I would like to build on that. Is part of the problem that there are not enough generic terms in use that could take the place of GI-protected terms? Is this blurring between generic terms and GIs causing these problems? Take, for example, CHAMPAGNE: instead of saying that CHAMPAGNE describes a particular product, CHAMPAGNE could serve solely as GI, so that the producers of champagne would have to use the term “sparkling wine” along with the rest of the world. You would have an isolated the geographic indicator, and then you could say, “This is a Napa Valley sparkling wine versus a champagne sparkling wine.”

In terms of spirits, you have Scotch whisky, Canadian whisky, and Tennessee whiskey. Anybody who drinks whiskey recognizes the term whiskey. The prior geographical label simply identifies the location in which distillers produce a given brand of whiskey.

In order to expand this method into other markets, could we not mandate the use of more descriptive terms for products while allowing people to keep their geographical indicators?

PROFESSOR HUGHES: Well, I will turn it over to the panel, but part of the answer is that one of the reasons we use geographic words is for evocative purposes. When we say “Buffalo wings” instead of “really hot chicken wings,” we are using it for a little evocative purpose: to connect back to the origin of the thing or the origin of the recipe. “Thai-style” something or “Thai food” may be just signifying that there is lemon grass and cilantro in it. We use many geographic words evocatively, and you have to also think about protecting these uses.

So I don’t think it’s as simple as you think it is, or as simple as you suggested it might be.

DR. KUR: One basic difficulty would be: at what point in time do you decide how specific you want to be? For instance, ROQUEFORT cheese would obviously not do. From the beginning, you would have to use the term “Roquefort bleu cheese,” or something like it, and even “bleu cheese” might as such not be specific enough, so I see a problem there.

Apart from that, it is difficult to control the way in which people refer to a product in common parlance, i.e. when they

simply omit the generic term, or are not specific enough in the way they refer to a given type of product. Who is to blame if that happens? Who has to bear the consequences?

PROFESSOR HUGHES: Go for it, Susan.

PROFESSOR SCAFIDI: Predictably, I like the suggestion to a degree, but I would say that what Annette is describing is the issue of reification of culture. Culture flows. We do not want to freeze it at any point in time, even if we do want to give the people who originated something the right to continue to claim a cultural affiliation with it, so I think that is at the heart of the problem.

That said, I also want to distinguish between the commercial use of the term for evocative or descriptive purposes and for casual personal shorthand. I think that, even if we go ahead and register GIs, people will continue in popular parlance to call Roquefort cheese “Roquefort cheese,” as opposed to “Roquefort-style bleu cheese.”

PROFESSOR HUGHES: But there is an efficiency issue too. Are you comfortable calling all hamburgers from now on “ground beef patty sandwiches?” After all “hamburger” is a geographic word itself. Hamburgers, frankfurters—I think people underestimate the extent to which our terminology is actually based in geography.

Other questions?

[No response]

We have exhausted the audience, with three minutes to spare.

Hugh, may we declare this session ended? All right. Thank you very much, ladies and gentlemen.