

GEOGRAPHICAL INDICATIONS: THE INTERNATIONAL DEBATE OVER INTELLECTUAL PROPERTY RIGHTS FOR LOCAL PRODUCERS

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Geographical indications are a type of intellectual property right. GIs exist where a product is named after its geographical origin and where the product has certain qualities attributable to its geography. Examples of GIs include Parmigiano-Reggiano cheese, Champagne, and Florida oranges. Governmental regulation of GIs protects producers' hard-earned reputations from free-riding and reassures consumers that a product's origin is accurately represented. This Comment will explain how GIs are currently protected under international law as well as under domestic laws in the United States and the European Union. It will also discuss the international debate over the proper level of protection for GIs, a debate in which the United States and the European Union have become entrenched opponents with billions of dollars at stake.

This Comment argues that the United States should increase its domestic protections for GIs. Substantial numbers of consumers seek out GIs because GIs represent small-scale, quality-oriented production schemes. Increased GI protections would benefit these consumers and producers. However, increased protections could prove chaotic because the American grocery store is awash with inaccurate geographical food labels. This Comment attempts to achieve a balance that recognizes and respects the value of traditional regional products while maximizing informed consumer choice in the free market.

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INTRODUCTION

In the rolling hills of the Italian countryside, artisanal cheese makers use centuries-old methods to produce the “king of cheeses”: Parmigiano-Reggiano.¹ “Parmigiano-Reggiano is

1. *The Making of Parmigiano-Reggiano Cheese*, PARMIGIANO-REGGIANO CHEESE CONSORTIUM, http://www.parmigiano-reggiano.it/en/made/parmigiano_reggiano_cheese/default.aspx (last visited Feb. 8, 2011).

produced exclusively in the [Italian] provinces of Parma, Reggio Emilia, Modena and parts of the provinces of Mantua and Bologna”² To ensure the quality of the cheese, producers forgo the convenience of modern agricultural practices in favor of traditional methods identical to those used eight centuries ago.³ For example, cows are fed locally grown hay and never silage or fermented feeds.⁴ Raw milk is processed daily without preservatives or other additives, and the cheese is aged for a minimum of twelve months.⁵ This process results in a unique cheese, known for its grainy texture and complex flavor profile.⁶

In 1934, local Italian chambers of commerce formed the Consortium for Parmigiano-Reggiano Cheese (“the Consortium”) to promote and protect the traditional production of Parmigiano-Reggiano.⁷ The Consortium has developed detailed specifications for every step in the cheese-making process to ensure that Parmigiano-Reggiano producers adhere to traditional cheese-making methods.⁸ The Consortium has also drawn strict geographical boundaries for the Parmigiano-Reggiano production area; no cheese produced outside of the Italian provinces of Parma, Reggio Emilia, Modena, and parts of Mantua and Bologna can rightfully be called Parmigiano-Reggiano.⁹ When the cheese-making process is complete, experts from the Consortium inspect each wheel of cheese.¹⁰ If the experts are satisfied that the cheese was made in accordance with Consortium specifications, the cheese is fire-

2. *Id.*

3. *The History of Parmigiano-Reggiano DOP*, PARMIGIANO-REGGIANO CHEESE CONSORTIUM, <http://www.parmigiano-reggiano.it/en/made/history/default.aspx> (last visited Feb. 8, 2011).

4. *Our Strength Points*, PARMIGIANO-REGGIANO CHEESE CONSORTIUM, http://www.parmigiano-reggiano.it/en/where/parmigiano_reggiano_strengths_points.aspx (last visited Feb. 1, 2011).

5. *Id.*

6. *Elements of Sensory Analysis*, PARMIGIANO-REGGIANO CHEESE CONSORTIUM, http://www.parmigianoreggiano.com/taste/sensory_analysis/default.aspx (last visited Feb. 8, 2011). For example, Parmigiano-Reggiano is well known for its tyrosine crystals. Tyrosine crystals are concentrations of the amino acid tyrosine, which is released during the aging process. *Our Strength Points*, *supra* note 4. The crystals are often visible in the cheese and provide a delightful burst of flavor. *See Elements of Sensory Analysis, supra*.

7. *The Consortium and its History*, PARMIGIANO-REGGIANO CHEESE CONSORTIUM, http://www.parmigiano-reggiano.it/en/consortium/consortium_history.aspx (last visited Feb. 1, 2011).

8. *See The Making of Parmigiano-Reggiano Cheese, supra* note 1.

9. *Id.*

10. *Id.*

branded with the official mark of the Consortium, and the producer may call his cheese Parmigiano-Reggiano.¹¹ Under this process, about 450 cheese producers are able to call their cheese Parmigiano-Reggiano.¹²

The term “Parmigiano-Reggiano” is thus a geographical indication (“GI”).¹³ GIs are a type of intellectual property right.¹⁴ A GI exists where a good is identified by its geographical origin and “a given quality, reputation or other characteristic of the good is essentially attributable to [that] geographical origin.”¹⁵ Soil qualities, climate, traditions, and other regional traits give the good characteristics that are unique to the location of origin.¹⁶ Parmigiano-Reggiano meets the definition of a GI because: (1) it identifies a cheese as being from a certain region; and (2) the cheese derives unique qualities from being produced there.¹⁷ According to the Consortium, Parmigiano-Reggiano could not be duplicated anywhere else because the cheese’s unique qualities derive from factors such as the local forage fed to the dairy cows and the deeply engrained cheese-making culture of the region.¹⁸ Other examples of GIs include Champagne¹⁹ and Florida oranges.²⁰ GIs can identify a wide variety of products, but the vast majority of GI-labeled products are foods and beverages.²¹

11. *Id.*

12. *The History of Parmigiano-Reggiano DOP*, *supra* note 3.

13. *See id.*

14. Lynne Beresford, *Geographical Indications: The Current Landscape*, 17 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 979, 980 (2007).

15. Agreement on Trade-Related Aspects of Intellectual Property Rights art. 22, para. 1, Apr. 15, 1994, 1869 U.N.T.S. 299, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, 108 Stat. 4809, 1867 U.N.T.S. 154 [hereinafter TRIPS].

16. Emily C. Creditt, Note, *Terroir vs. Trademarks: The Debate over Geographical Indications and Expansions to the TRIPS Agreement*, 11 VAND. J. ENT. & TECH. L. 425, 427 (2009).

17. *The Making of Parmigiano-Reggiano Cheese*, *supra* note 1.

18. *Id.*

19. FREDERICK M. ABBOTT, THOMAS COTTIER & FRANCIS GURRY, INTERNATIONAL INTELLECTUAL PROPERTY IN AN INTEGRATED WORLD ECONOMY 280 (2007).

20. Beresford, *supra* note 14, at 980.

21. *See* Carsten Fink & Keith Maskus, *The Debate on Geographic Indications in the WTO*, in THE WORLD BANK, TRADE, DOHA, AND DEVELOPMENT: A WINDOW INTO THE ISSUES 201–02 (Richard Newfarmer ed., 2006), available at <http://siteresources.worldbank.org/INTRANET/TRADE/Resources/2390541126812419270/16.TheDebate.pdf>; DANIELE GIOVANNUCCI ET AL., INT’L TRADE CTR., GUIDE TO GEOGRAPHICAL INDICATIONS: LINKING PRODUCTS AND THEIR ORIGINS 110–11 (2009), available at http://www.intracen.org/publications/Free-publications/Geographical_Indications.pdf; Justin Hughes, *Champagne, Feta, and*

The term “geographical indication” was introduced by the Agreement on Trade-Related Aspects of Intellectual Property Rights (“TRIPS”), but this does not mean that TRIPS created the right.²² The right has long been referred to in Europe as “appellations of origin” or “protected designations of origin,”²³ and has been protected in the United States by certification and collective marks.²⁴ TRIPS simply created a common term for a right that was already recognized by other intellectual property regimes.²⁵

Unlike other intellectual property rights—patents, trademarks, and copyrights—GIs are owned collectively by all producers in a region, as opposed to being owned by an individual or a single company.²⁶ Governmental regulation of GIs protects both producers and consumers.²⁷ It protects producers’ hard-earned reputations from free-riding and reassures consumers that a label accurately represents a product’s origin.²⁸

However, problems arise when deciding which phrases to protect as GIs.²⁹ For example, although “Parmigiano-Reggiano” is a protected GI under U.S. law,³⁰ the name “parmesan” is not protected even though it refers to the geographic region of Parma, Italy.³¹ The “parmesan” label is ubiquitous in the American grocery store. It graces everything

Bourbon: The Spirited Debate About Geographical Indications, 58 HASTINGS L.J. 299, 303 (2006) (“[F]or all practical purposes, the law of geographical indications is about foodstuffs. . . . This is a debate about the law of the names of what we eat and drink.”). However, there are important examples of non-food GIs, such as Waterford crystal and Murano glass. BERNARD O’CONNOR, *THE LAW OF GEOGRAPHICAL INDICATIONS* 19 (2004).

22. Creditt, *supra* note 16, at 429–30.

23. *See infra* Part I.B.2.

24. *See infra* Part I.B.1.b.

25. *See* Creditt, *supra* note 16, at 429–30.

26. ABBOTT, COTTIER & GURRY, *supra* note 19, at 280.

27. Albrecht Conrad, *The Protection of Geographical Indications in the TRIPS Agreement*, 86 TRADEMARK REP. 11, 14 (1996).

28. *See id.*

29. *See, e.g.*, Symposium, *Panel II: That’s a Fine Chablis You’re Not Drinking: The Proper Place for Geographical Indications in Trademark Law*, 17 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 933, 975–78 (2007) [hereinafter *Panel II*].

30. *See Trademark Electronic Search System*, U.S. PAT. & TRADEMARK OFF., <http://www.uspto.gov/trademarks/index.jsp> (follow “Search Marks” hyperlink; then follow “Basic Word Mark Search” hyperlink; enter “Parmigiano-Reggiano” into the search field; then follow “Submit Query” button) (last visited Feb. 8, 2011).

31. Case C-132/05, *Comm’n of European Communities v. Germany*, Opinion of Advocate Gen. Mazák, [2008] E.C.R. I-957, EUR-Lex CELEX 62005C0132 ¶ 16 (“[T]he word ‘Parmesan’ is . . . the literal translation of the word ‘Parmigiano’ into French, from which it passed centuries ago into German and other languages.”).

from cheese in a can, chicken parmesan frozen dinners, and cheese sold in the gourmet cheese section—right next to the Parmigiano-Reggiano—cleverly labeled “Argentine Parmesan-Reggianito.” Although U.S. law currently allows the use of such labels, the prevalence of “parmesan” may confuse consumers and damage the reputations of Parmigiano-Reggiano producers,³² thereby undermining the policy goals of GI protection.

A comprehensive purge of all “parmesan” products, however, would be chaotic and expensive.³³ Although the government cannot realistically ban the use of all misleading geographic terminology in labeling,³⁴ producers and consumers alike require some form of protection. Accordingly, members of the World Trade Organization (“WTO”) are currently negotiating the proper level of international protection for GIs.³⁵ Over U.S. objections, Europe is leading a push to amend TRIPS to provide broader international protection for GIs.³⁶ This is so because the European Union already provides strong domestic protection for GIs,³⁷ and European producers stand to gain billions from stronger international protections.³⁸ For example, under EU law, Kraft may not market “parmesan” cheese in the European Union³⁹ because the term “parmesan” evokes the protected GI “Parmigiano-Reggiano.”⁴⁰ According to the European Union, stronger international GI protections would benefit both consumers and producers.⁴¹ In contrast, the United States believes that its current regime of protecting GIs under the Trademark Lanham Act of 1946⁴² is sufficient.⁴³ The Unit-

32. See *infra* Part I.B.1.a.

33. See *infra* text accompanying notes 268–73.

34. See, e.g., *Panel II, supra* note 29, at 978 (“I think people underestimate the extent to which our terminology is actually based in geography.”) (statement of Professor Justin Hughes).

35. See, e.g., *TRIPS: Geographical Indications: Background and the Current Situation*, WORLD TRADE ORG., http://www.wto.org/english/tratop_e/trips_e/gi_background_e.htm (last visited Feb. 8, 2011) [hereinafter *Background*].

36. E.g., Frances G. Zacher, Comment, *Pass the Parmesan: Geographic Indications in the United States and the European Union—Can There be Compromise?*, 19 EMORY INT’L L. REV. 427, 428–30 (2005).

37. See *infra* Part I.B.2.

38. See *infra* text accompanying notes 272–76.

39. James Cox, *What’s in a Name?*, USA TODAY, Sept. 9, 2003, http://www.usatoday.com/money/economy/trade/2003-09-09-names_x.htm.

40. Case C-132/05, *Comm’n of European Communities v. Germany*, Opinion of Advocate Gen. Mazák, [2008] E.C.R. I-957, EUR-Lex CELEX 62005C0132 ¶¶ 53–55.

41. See *infra* text accompanying notes 285–98.

42. 15 U.S.C. §§ 1051–1142 (2006).

ed States fears broader GI protection would unfairly burden the American food industry, which has come to rely on geographic labels like “parmesan.” The United States insists that the current GI regime adequately protects the interests of consumers and producers.⁴⁴

This Comment focuses on GI protection in the United States and European Union.⁴⁵ Part I explains the current international protections afforded to GIs and summarizes the current state of U.S. and EU law regarding GIs. Part II discusses the international debate over GI protection, in which the United States and European Union have become entrenched opponents because of the billions of dollars at stake. Finally, Part III argues that the United States should initiate domestic changes to GI policy.

I. CURRENT SCHEMES OF REGULATION

The international TRIPS agreement provides a broad framework that member countries are to follow when drafting their own intellectual property laws.⁴⁶ This framework represents the minimum level of protection that member countries are required to provide under their domestic laws, but countries are welcome to provide higher levels of protection.⁴⁷ Both the United States and European Union have agreed to the international GI protections in TRIPS, but the European Union provides stronger domestic protections than the United States does. Section A explains the TRIPS provisions on GI protection and discusses how these provisions affect domestic regulation. Section B describes how the United States protects GIs through trademark and consumer protection legislation. Lastly, Section

43. GRAEME B. DINWOODIE ET AL., INTERNATIONAL INTELLECTUAL PROPERTY LAW AND POLICY 360 (2d ed. 2008) (“[T]he United States adopted the position that the protection afforded by . . . [U.S. law] satisfied its obligations with respect to geographical indications under TRIPS”); Creditt, *supra* note 16, at 446 (“The United States has argued against the expanded protection of geographical indications . . .”).

44. See *infra* text accompanying notes 292, 297.

45. The role of GIs in developing countries is an emerging area of research. Some commentators argue that GIs should protect local handicrafts and intangible cultural property, like dances and traditional medicine. *E.g.*, Panel II, *supra* note 29, at 953–54.

46. TRIPS, *supra* note 15, art. 1, para. 1; see also JULIE E. COHEN ET AL., COPYRIGHT IN A GLOBAL ECONOMY 36–37 (2006).

47. TRIPS, *supra* note 15, art. 1, para. 1. For example, the European Union has provided higher protections for GIs than TRIPS mandates. See *infra* section I.B.2.

C contrasts the U.S. system with the EU system of GI regulation.

A. *International Regulation Under TRIPS*

TRIPS is the primary international treaty protecting GIs and other intellectual property rights.⁴⁸ TRIPS was signed by all 153 members of the WTO in 1995.⁴⁹ The treaty is the “most detailed and comprehensive multilateral agreement on intellectual property yet negotiated” and has been hailed as the “most significant step[] in creating a uniform system for the international protection of all intellectual property, especially geographical indications.”⁵⁰

1. GI Provisions

TRIPS covers GIs in Articles 22–24,⁵¹ and this subsection will address those Articles in turn. Article 22 sets forth a general standard for GI protection that focuses on protecting the consuming public from misleading geographical labels. It mandates that member countries

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

48. TRIPS is not the only international treaty that protects GIs, but it is the most comprehensive treaty that binds both the United States and Europe, so it will be the only treaty discussed here. Other important treaties dealing with GIs are the Paris Convention of 1883, the Madrid Agreement of 1891, and the Lisbon Agreement of 1958. For a discussion of the terms and significance of these three predecessors to TRIPS, see Stacy D. Goldberg, Comment, *Who Will Raise the White Flag? The Battle Between the United States and the European Union over the Protection of Geographical Indications*, 22 U. PA. J. INT'L ECON. L. 107, 112–15 (2001). This Comment does not discuss the Paris Convention because its protections are weaker than those provided by TRIPS. See *id.* Because the United States has signed neither the Madrid Agreement nor the Lisbon Agreement, they are of little relevance here. See *id.* NAFTA also contains some protections for geographic indications. See Charlie Fu, *Geographical Indications in Multinational Agreements*, 19 J. CONTEMP. LEGAL ISSUES 451, 451 (2010). This Comment does not discuss NAFTA because its provisions on geographical indications overlap TRIPS. *Id.* at 451–55.

49. Creditt, *supra* note 16, at 435.

50. *Id.*

51. TRIPS, *supra* note 15, arts. 22–24.

geographical origin of the good.⁵²

Thus, at minimum, member countries must provide a legal remedy against inaccurate geographical marketing that misleads consumers. The precise legal remedies and methods of enforcement are left up to individual member countries.

Article 24 provides exceptions to the general standard, including an important exception allowing members to deny protections to generic GIs.⁵³ A member need not protect a GI that has come to signify a type of good rather than signifying the geographic origin of that good.⁵⁴ For example, if a member determines that the term “parmesan” identifies a type of cheese, rather than a cheese originating in Parma, the member does not need to protect “parmesan” under its GI laws.⁵⁵

Article 23 establishes a heightened level of protection for wine and spirits producers. Article 23 resulted from a compromise between those members who wanted heightened protection for all GIs—most notably the European Union—and those countries who wanted to limit GI protection to the Article 22 standard—most notably the United States.⁵⁶ The regulation of wine and spirits was a natural point of compromise for the United States and the European Union. The United States has a strong domestic wine industry that is interested in robust protection for its GIs.⁵⁷ The European Union has historically

52. *Id.* art. 22, para. 2 (emphasis added). The term “misleads” is not further defined by TRIPS.

53. *Id.* art. 24, para. 6 (stating that a member need not protect GIs for “goods or services for which the relevant indication is identical with the term customary in common language as the common name for such goods or services in the territory of that Member”).

54. *Id.*

55. Article 24 also contains exceptions for preexisting trademarks acquired in good faith and for GIs that are not protected or used in their country of origin. *Id.* arts. 24.7, 24.9. This means that if a country fails to protect a domestic GI under domestic law, other countries are not obligated to protect the GI. For example, “cheddar” is a geographical term referring to a region in the United Kingdom, but because UK law does not protect “cheddar” as a GI, no country is obligated to protect “cheddar.”

56. General Council Trade Negotiations Committee, *Note by the Secretariat: Issues Related to the Extension of the Protection of Geographical Indications Provided for in Article 23 of the TRIPS Agreement to Products other than Wines and Spirits* ¶ 9, WT/GC/W/546 (May 18, 2005) [hereinafter *Extension*].

57. See, e.g., *Protecting Napa Name*, NAPA VALLEY VINTNERS, http://www.napavintners.com/about/ab_5_protecting.aspx (last visited Feb. 26, 2011) (“[T]he NVV intends to take any and all steps to prevent the misuse of the Napa Valley name for wine not made from Napa grapes.”); but see Michael Maher, *On Vino Veritas? Clarifying the Use of Geographic References on American Wine Labels*, 89 CAL. L. REV. 1881, 1901 (2001) (explaining that, in California,

recognized the special importance of protecting its wine and spirits GIs.⁵⁸ Under Article 23, member countries must provide a legal remedy against any inaccurate GI of wine and spirits regardless of whether it misleads the public. Inaccurate GIs are impermissible, “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.”⁵⁹ Thus, under Article 23, a member country must provide a legal remedy against a non-French marketer of “Cognac,” “Colorado Cognac,” “Coñac,”⁶⁰ or “Cognac-style brandy.”⁶¹ To smooth the transition to the regime of absolute protection, Article 24 provides a grandfather-clause exception to Article 23 for producers who have inaccurately been using wine and spirits GIs continuously and in good faith since April 15, 1994 (or continuously and not in good faith since April 15, 1984).⁶² But, leaving aside GIs for wine and spirits, other GIs are protected by a consumer-confusion standard, with an important exception for generic GIs.

2. Enforcement Provisions

TRIPS provides for both domestic and international enforcement of all of its provisions.⁶³ On the domestic side, member countries must provide enforcement mechanisms that are tough enough to deter potential infringers, but are not overly complicated, costly, or unfair.⁶⁴ For example, a member country could satisfy the domestic enforcement requirement by pro-

“[s]maller-quantity, higher-margin producers in well-known regions and higher-quantity, lower-margin producers in less-well-known regions do not appear to share a common philosophy with respect to geographical indications with those in more well-known regions placing greater emphasis on the origin of their products and on geographical indications in general. While the Wine Institute continues to study this issue, there is no foreseeable consensus.”)

58. See Kal Raustiala & Chris Sprigman, *Eat, Drink and be Wary: Why the U.S. Should Oppose the WTO's Extending Stringent Intellectual Property Protection of Wine and Spirit Names to Other Products*, FINDLAW, Dec. 12, 2002, http://writ.news.findlaw.com/commentary/20021212_sprigman.html.

59. TRIPS, *supra* note 15, art. 23, para. 1.

60. Spanish translation of “cognac.” CASSEL'S SPANISH & ENGLISH DICTIONARY 249 (Wiley Publ'g, Inc. 1969).

61. “Cognac” is a GI for brandy produced in the Cognac region of France that meets certain standards. Beresford, *supra* note 14, at 982.

62. TRIPS, *supra* note 15, art. 24, para. 4.

63. See *id.* art. 41; see generally WORLD TRADE ORG., UNDERSTANDING THE WTO 55–61 (5th ed. 2010), available at http://www.wto.org/english/thewto_e/whatis_e/tif_e/understanding_e.pdf.

64. TRIPS, *supra* note 15, art. 41, para. 2.

viding intellectual property holders with a cause of action to pursue infringers in court.⁶⁵

On the international level, disputes among member countries are subject to the WTO dispute settlement process.⁶⁶ In this process, disputing countries must first participate in a mandatory mediation that could potentially last sixty days.⁶⁷ If mediation fails, the countries appear before an international panel of experts in an adjudicative proceeding.⁶⁸ Once the panel's decision is final, the losing country must either change its domestic policies to comply with the ruling of the panel or pay the winning country compensation.⁶⁹

This enforcement mechanism has proved robust. From 1995–2008, 369 disputes entered the WTO dispute settlement process, 136 of which were heard by the panel.⁷⁰ These numbers indicate that WTO members are actively policing each other's compliance with TRIPS.⁷¹ This international enforcement scheme provides concrete incentives to ensure that signatories to TRIPS actually adopt and enforce the policies embodied in the agreement.

B. National Schemes

Since TRIPS only mandates minimum levels of protection, the GI regimes of signatory countries vary widely in form and in the levels of protection they offer. Section B.1 considers protection for GIs in the United States, provided through trade-

65. For example, the United States fulfills its TRIPS obligations by providing a cause of action under the Lanham Act. *See infra* Parts I.B.1.b–c.

66. *See* WORLD TRADE ORG., *supra* note 63, at 55–61. The WTO dispute settlement process applies to disputes arising under any WTO agreement. *Id.* at 55. This Comment broadly outlines the WTO dispute settlement process. For a more detailed explanation, including a flow chart and case study, see *id.* at 55–61.

67. *Id.* at 56.

68. *Id.* at 55–56. The Panel consists of three to five experts from different countries who are chosen by the WTO director-general in consultation with the disputing countries. *Id.* at 55. During the proceedings, each country has the opportunity to submit written briefs, present evidence and expert testimony, and make oral arguments. *Id.* at 57. After the Panel issues a written ruling, countries are allowed to appeal to a permanent appellate body. *Id.* The appellate body is made up of seven individuals “with recognized standing in the field of law and international trade.” *Id.*

69. *Id.* at 58.

70. *Id.* at 55. The disputes that did not go before the panel either settled or “remain in a prolonged consultation phase.” *Id.*

71. To be clear, these numbers represent disputes brought under all WTO treaties. *Id.* The WTO has not published separate data for disputes brought specifically under TRIPS.

mark and unfair competition law. Section B.2 contrasts the stronger protections for GIs under EU law.

1. The United States

The United States did not enact any new legislation specific to GIs in order to comply with TRIPS,⁷² except for one provision applying to wine and spirits GIs.⁷³ This is because the United States has taken the position that TRIPS-level protection already existed for GIs under the Trademark Lanham Act of 1946.⁷⁴ U.S. trademark law is an ideal starting point for GI protection because it embraces the goals of both consumer and producer protection.⁷⁵ And, at least on its face, U.S. law meets the TRIPS Article 22 requirement to provide legal remedies against misleading geographical marketing.⁷⁶

Since GIs are primarily protected under trademark law,⁷⁷ Section B.1.a begins with a discussion of the basic rationales underlying trademark protection in the United States. GIs are primarily protected by certification and collective marks, explained in Section B.1.b. Although the most direct way to protect a GI is by acquiring a certification or collective mark, Section B.1.c describes some alternative avenues to GI protection under U.S. law.

a. Rationales for Trademark Protection: Protecting Both Consumers and Producers

Both trademark law and GI protections are driven by the same dual purposes: protecting consumers and protecting the reputations of producers.⁷⁸ Trademark law protects consumers

72. See Uruguay Round Agreements Act, Pub. L. No. 103-465, 108 Stat. 4809 (1994).

73. *Id.* § 522 (denying trademark registration to any inaccurate wine and spirits GI, with a grandfather exemption for GIs already in use).

74. *Geographical Indication Protection in the United States*, U.S. PAT. & TRADEMARK OFF., 1-2, http://www.uspto.gov/web/offices/dcom/olia/globalip/pdf/gi_system.pdf (last visited Apr. 28, 2011). The Trademark Lanham Act is codified at 15 U.S.C. §§ 1051-1142 (2006).

75. See *infra* Part I.B.1.a.

76. See *infra* Parts I.B.1.b-c.

77. Consumer protection law also provides remedies against inaccurate GIs. See *infra* Part I.B.1.c.iii. Wine and spirits GIs get added protection under Alcohol and Tobacco Tax and Trade Bureau regulations. 27 C.F.R. §§ 4.24-4.28 (2006).

78. Beresford, *supra* note 14, at 980-81.

by identifying the source of goods.⁷⁹ If a consumer values a certain brand, she can rely on the brand's trademark to readily identify the goods she wants.⁸⁰ Similarly, trademark law protects consumers by guaranteeing quality.⁸¹ Each trademark represents a certain level of quality that consumers can consistently expect among all goods bearing the same trademark.⁸² Finally, trademark law protects the investments of producers in creating goodwill among consumers.⁸³ Thus, U.S. law grants trademark owners the right to stop unauthorized use of the trademark and to prevent confusingly similar approximations of the trademark.⁸⁴ Without such protections, consumers might mistakenly buy goods they do not want.⁸⁵ Moreover, the trademark owner's reputation would be damaged by the presence of similarly marked, lower-quality goods on the market, and the infringer would unfairly benefit by free-riding on the trademark owner's investment in creating goodwill.⁸⁶

These same rationales support strong GI protection.⁸⁷ Like trademarks, GIs allow consumers to correctly identify the source of a product.⁸⁸ If products are required to bear geographically accurate labels, a consumer who values the authentic cheese of Parma can easily identify the cheese as Parmigiano-Reggiano. GIs provide an especially important role in identifying product quality.⁸⁹ Like Parmigiano-Reggiano, many GIs are controlled by umbrella organizations that set rigorous quality-control standards for products bearing their names.⁹⁰ Finally, GIs protect the investments of local producers and their umbrella organizations by creating brand recognition in the international marketplace.⁹¹ Since the rationales underlying GIs protection are identical to the rationales under-

79. *Id.* at 980.

80. *Id.*

81. *Id.* at 980–81.

82. *Id.* at 981.

83. *Id.*

84. 15 U.S.C. § 1114(1) (2006).

85. *See* Beresford, *supra* note 14, at 980–81.

86. *See id.* at 981.

87. *Id.* at 980–81.

88. *Id.* at 981.

89. *Id.*; 3 LOUIS ALTMAN & MALLA POLLACK, CALLMANN ON UNFAIR COMPETITION, TRADEMARKS AND MONOPOLIES § 17:18, at 17-108 to 109 (4th ed. 2009).

90. *See infra* Part I.B.1.b.i.

91. Beresford, *supra* note 14, at 980–81.

lying U.S. trademark law, trademark law provides a good starting point for GI protection.⁹²

b. Protecting GIs as Certification Marks and Collective Marks

GIs are protected under the Lanham Act as certification marks and collective marks.⁹³ Although certification and collective marks differ from traditional trademarks in several key respects, their use is regulated similarly.

i. Certification and Collective Marks Defined

As noted above, the Lanham Act created two new trademark-like rights, both ideally suited for GI protection: certification marks and collective marks.⁹⁴ Certification marks have a single owner, but the owner can license others to use the mark “to certify regional or other origin, material, mode of manufacture, quality, accuracy, or other characteristics,” so long as the licensee meets the standards associated with the mark.⁹⁵ A certification mark thus acts like seal of approval; it guarantees that a product meets certain standards.⁹⁶ Certification marks must be owned by a single umbrella organization (for Parmigiano-Reggiano, the Consortium) and this organization must make the mark available to all producers that meet the organization’s standards.⁹⁷ Umbrella organizations for geographical certification marks are often government-affiliated bodies,⁹⁸ but government affiliation is not required.⁹⁹ The umbrella organization is responsible for establishing standards and con-

92. *Id.* at 981.

93. 15 U.S.C. § 1127 (2006).

94. *Id.*; *Cmty. of Roquefort v. William Faehndrich, Inc.*, 303 F.2d 494, 497 (2d Cir. 1962). Before the Lanham Act, geographical names were routinely denied trademark protection. *Id.* at 496. Because trademarks must have a single owner, the prohibition on trademarking geographical terms “operated to prevent a single producer from appropriating the name of a particular place or area in which he was located to the exclusion of other and similarly situated producers.” *Id.*

95. 15 U.S.C. § 1127.

96. *Florida v. Real Juices, Inc.*, 330 F. Supp. 428, 434 (M.D. Fla. 1971); 3 ALTMAN & POLLACK, *supra* note 89, at 17-106.

97. 3 ALTMAN & POLLACK, *supra* note 89, at 17-106.

98. *Geographical Indication Protection in the United States*, *supra* note 74, at 3.

99. *See* 3 ALTMAN & POLLACK, *supra* note 89, at 17-108 (“The required umbrella organization can be a private organization such as a trade association.”).

ducting quality-control checks over the goods that bear its mark.¹⁰⁰ If the umbrella organization fails to maintain the standards associated with the mark or if the organization denies use of the mark to goods that do meet the standards, then the certification mark may be cancelled.¹⁰¹ Thus, a certification mark signals to consumers that a good meets certain standards of quality and rewards the producers who meet those standards with the right to capitalize on the mark's reputation.

For example, the Idaho Potato Commission ("IPC") has registered the certification marks "Idaho potatoes" and "grown in Idaho."¹⁰² The IPC does not use the marks itself, but instead "licenses potato growers, packers-shippers, and processors to use the certification marks on potatoes and potato products to certify that these products are from Idaho and meet IPC's quality standards."¹⁰³ Similarly, "Parmigiano-Reggiano" is registered in the United States as a certification mark, owned by the Consortium, which certifies that products bearing the Parmigiano-Reggiano name meet the exacting standards discussed above.¹⁰⁴

In contrast to a certification mark, which is a "guarantee or approval mark," a collective mark is merely a "membership mark."¹⁰⁵ A collective mark is "used by the members of a cooperative, an association, or other collective group or organization."¹⁰⁶ The mark identifies membership in the organization and nothing more.¹⁰⁷ Unlike certification marks, however, collective marks do not require oversight of product quality.¹⁰⁸ Thus, collective marks guarantee origin but do not guarantee

100. *Real Juices, Inc.*, 330 F. Supp. at 432; 3 ALTMAN & POLLACK, *supra* note 89, at 17-109.

101. 15 U.S.C. § 1064(5) (2006). Any injured party, or the Federal Trade Commission, may petition for cancellation of the mark. *Id.*

102. *Certification Marks*, IDAHO POTATO COMM'N, http://licensing.idahopotato.com/marks/cat_id-1 (last visited Feb. 11, 2011).

103. *Certification Marks & Trademarks*, IDAHO POTATO COMM'N, <http://licensing.idahopotato.com/marks> (last visited Feb. 11, 2011).

104. *See supra* note 30; *see supra* text accompanying notes 3-12.

105. 3 ALTMAN & POLLACK, *supra* note 89, at 17-106.

106. 15 U.S.C. § 1127 (2006).

107. 3 ALTMAN & POLLACK, *supra* note 89, at 17-106.

108. *Id.* at 17-106 to -107. However, the line between collective and certification marks is "sometimes too shadowy for proper classification." *Id.* Some courts conflate the two terms. *E.g.*, *Profl Golfers Ass'n of Am. v. Bankers Life & Cas. Co.*, 514 F.2d 665, 668 (5th Cir. 1975) ("[A] collective service mark such as 'PGA' serves not to identify particular merchandise produced by members, but to guarantee the quality of service provided by members.").

quality, whereas certification marks guarantee both origin and quality.

Both certification marks and collective marks are entitled to the same protections as traditional trademarks.¹⁰⁹ A GI holder can secure these protections by registering the GI as a certification mark or collective mark with the United States Patent and Trademark Office (“USPTO”).¹¹⁰ But registration is not a requirement. A GI holder can claim a common law certification mark or collective mark.¹¹¹ Once a GI has been recognized as a certification mark or collective mark, either by official registration or by a court, the GI holder can prevent others from infringing the GI.¹¹² However, before the USPTO or the courts will recognize a GI as a certification or collective mark, the GI holder must prove the GI is not generic.¹¹³

ii. Genericness

The Lanham Act does not protect generic marks.¹¹⁴ Generic terms cannot be trademarked and trademarks that become generic will no longer be enforced.¹¹⁵ A mark is generic if it “embrace[s] an entire class of products or services, not all of which necessarily emanate from the same source.”¹¹⁶ Essentially, a mark becomes generic when it signifies the type of good offered as opposed to the source of the good. For example, in *Abercrombie & Fitch Co. v. Hunting World, Inc.*, the Second Circuit held that the mark “safari” was generic when used in connection with certain clothing items.¹¹⁷ The court reasoned

109. See 15 U.S.C. § 1054 (2006) (“Subject to the provisions relating to the registration of trademarks, so far as they are applicable, collective and certification marks, including indications of regional origin, shall be registrable under this chapter, in the same manner and with the same effect as are trademarks . . . Applications and procedure under this section shall conform as nearly as practicable to those prescribed for the registration of trademarks.”).

110. See *id.*

111. *E.g.*, *Institut National des Appellations d’Origine v. Brown-Forman Corp.*, 47 U.S.P.Q.2d (BNA) 1875, 1885 (T.T.A.B. 1998) (holding that “cognac” is a common law certification mark). However, registration imparts significant benefits, such as a presumption of validity. See *infra* Part I.B.1.b.ii.

112. See *infra* Part I.B.1.b.ii.

113. See *infra* Part I.B.1.b.iii.

114. See 2 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 12.1 (4th ed. 2010).

115. *Id.*

116. 3 ALTMAN & POLLACK, *supra* note 89, at 18-11; accord PAUL GOLDSTEIN, INTERNATIONAL INTELLECTUAL PROPERTY LAW 438 (2001).

117. 537 F.2d 4, 11 (2d Cir. 1976). The court held that “safari” was generic with respect to hats, jackets, and suits, but not with respect to boots or shoes. *Id.*

that because the term was widely used by many different stores, it had become “well-known to the clothing industry and its customers” as a “genus” rather than a “species” of goods.¹¹⁸

The exclusion of generic marks from trademark protection stems from the policy concerns behind trademark law. A primary goal of trademark law is to protect consumers from confusion as to the source of products.¹¹⁹ Since consumers do not associate generic terms with a single source, the rationale of limiting consumer confusion does not exist with respect to generic marks.¹²⁰ Trademark law also protects producers by ensuring fair competition in the marketplace. If producers were permitted to monopolize generic terms, protecting them would unjustifiably put competing producers out of business.¹²¹

Therefore, any GI deemed generic cannot be enforced under U.S. law because it will not be a valid certification or collective mark.¹²² “Generic” has a nuanced meaning in the context of GIs. All GIs are innately generic because they refer to a class of products, as opposed to one particular product.¹²³ However, GIs are not categorically denied protection on this basis.¹²⁴ GIs “cannot be viewed as generic terms as long as their name remains geographically descriptive.”¹²⁵ Thus, a GI will be protected as long as the GI is actually associated with the product’s geographical origin.¹²⁶

As the following discussion will demonstrate, the determination of whether a GI is generic often depends on which party has the burden of proof on the issue. Furthermore, the allocation of the burden of proof turns on whether the GI is already registered as a certification or collective mark. When a GI holder initially seeks registration of a certification or collective mark with the USPTO, the GI holder must prove that the GI is

118. *Id.* at 11, 9.

119. *See supra* Part I.B.1.a.

120. GOLDSTEIN, *supra* note 116, at 438; Beresford, *supra* note 14, at 980–81.

121. GOLDSTEIN, *supra* note 116, at 438; Beresford, *supra* note 14, at 980–81.

122. *See Chronicle Pub’g Co. v. Chronicle Publ’ns, Inc.*, 733 F. Supp. 1371, 1375 (N.D. Cal. 1989) (“[G]eneric terms are not entitled to protection under the Lanham Act.”).

123. *See generally* GOLDSTEIN, *supra* note 116, at 438.

124. *See Conrad, supra* note 27, at 21.

125. *Id.* For example, the United States Patent and Trademark Office has determined that “Fontina” is a generic term for a type of cheese because the term is no longer geographically descriptive in the United States. *See infra* text accompanying notes 130–40.

126. Conrad, *supra* note 27, at 21.

not generic.¹²⁷ On the other hand, once a GI has been registered, the GI enjoys a strong presumption that it is not generic.¹²⁸ A challenger may seek cancellation of the existing mark on the grounds that the mark has become generic, but the challenger will have to overcome the presumption.¹²⁹ Early registration is beneficial because it allows the GI holder to prove non-genericness before competing producers have the opportunity to imitate the GI in the marketplace. The following discussion will illustrate the benefits of early registration and the importance of the presumption of non-genericness by contrasting the GIs for Fontina cheese and Roquefort cheese.

Like Parmigiano-Reggiano, Fontina is a cheese made in a specific region of Italy and an umbrella organization sets quality control standards and ensures that cheeses bearing the name “Fontina” meet those standards.¹³⁰ Under Italian law, “Fontina” is a protected GI,¹³¹ but, under U.S. law, “Fontina” is not protected.¹³² This is because the United States Trademark Trial and Appeal Board (“TTAB”)¹³³ held that “Fontina” is generic.¹³⁴ The TTAB thus refused to register a certification mark for “Fontina.”¹³⁵ To arrive at this conclusion, the TTAB first looked to several dictionary and encyclopedia entries to

127. See *Horizon Mills Corp. v. QVC, Inc.*, 161 F. Supp. 2d 208, 214 n.8 (S.D.N.Y. 2001).

128. *Cmty. of Roquefort v. William Faehndrich, Inc.*, 198 F. Supp. 291, 293 (S.D.N.Y. 1961), *aff'd* 303 F.2d 494 (2d Cir. 1962); *Horizon Mills*, 161 F. Supp. 2d at 214.

129. *Faehndrich*, 198 F. Supp. at 293; *Horizon Mills*, 161 F. Supp. 2d at 214–15.

130. *Cooperativa Produttori Latte e Fontina Valle D’Acosta*, 230 U.S.P.Q. (BNA) 131 (T.T.A.B. 1986). Fontina is produced in the Val D’Aosta region of Italy, taking “its name from Mount Fontin near the town of Aosta.” *Id.* at 133. “It is one of the most famous of all Italian cheeses, and many connoisseurs rank it amongst the top cheeses in the world for its sweet, nutty flavour and deliciously creamy texture.” *Id.*

131. *Id.* at 132–33.

132. *Id.*

133. The TTAB is an administrative body that conducts adversary proceedings related to trademark registration. *Trademark Trial and Appeal Board*, U.S. PAT. & TRADEMARK OFF., <http://www.uspto.gov/trademarks/process/appeal/index.jsp> (last visited March 13, 2010). The TTAB primarily hears opposition proceedings—where one party opposes the registration of a competitor’s trademark; cancellation proceedings—where one party seeks to cancel a competitor’s existing trademark; and appeals from final orders of the USPTO examining attorneys—where a party argues that the examining attorney erred in refusing to register his trademark. *Id.*

134. *Cooperativa Produttori Latte*, 230 U.S.P.Q. (BNA) at 132–33.

135. *Id.* at 134.

determine the meaning of “Fontina.”¹³⁶ Although many of these sources specifically noted the cheese’s Italian origin, the Board focused on the sources’ lower-case spelling of the word “Fontina.”¹³⁷ The existence of two domestic cheeses marketed as “Fontinella” and “Fontal” further influenced the TTAB.¹³⁸ Based on the presence of these two similarly named domestic cheeses and the lowercase treatment of “Fontina” in dictionaries and encyclopedias, the TTAB concluded that “to the American purchaser, ‘fontina’ primarily signifies a type of cheese . . . regardless of regional origin.”¹³⁹ Thus, the TTAB denied registration of “Fontina” as a certification mark.¹⁴⁰ The TTAB’s reasoning in this case—with genericness turning on factors like capitalization in dictionaries—shows how difficult it is to prove that an unregistered GI is not generic. Had the Fontina umbrella organization sought registration before domestic producers were able to put imitating products on the market, then it probably would enjoy certification mark protection today.

In contrast, Roquefort cheese provides an example of the benefits of promptly registering a GI with the USPTO. Although the GI holders of “Fontina” did not attempt U.S. registration until the 1980s,¹⁴¹ the Community of Roquefort registered a certification mark for the term “Roquefort” in 1953,¹⁴² less than ten years after the passage of the Lanham Act.¹⁴³ Like Fontina and Parmigiano-Reggiano, Roquefort cheese is made in a very specific region and overseen by an umbrella organization.¹⁴⁴ Roquefort is sheep’s-milk blue cheese, produced exclusively in the limestone caves of Roquefort, France.¹⁴⁵ The

136. *Id.* at 133–34.

137. *Id.* at 134.

138. *Id.* at 133–34.

139. *Id.* at 134.

140. *Id.*

141. *Id.*

142. *Cnty. of Roquefort v. William Faehndrich, Inc.*, 303 F.2d 494, 496 (2d Cir. 1962).

143. *Id.* The Lanham Act, which created the U.S. certification mark, took effect in 1946.

144. *See Cnty. of Roquefort v. William Faehndrich, Inc.*, 198 F. Supp. 291, 292 (S.D.N.Y. 1961), *aff’d* 303 F.2d 494 (2d Cir. 1962) (“A French law adopted on July 26, 1925 prohibits the sale of this type of cheese under the name ‘Roquefort’ unless the product is made within the Community of Roquefort and has received the certificate of the community.”).

145. *Faehndrich*, 303 F.2d at 495–96.

Community of Roquefort governs use of the GI “Roquefort” and has aggressively protected the GI against infringement.¹⁴⁶

In one infringement action, *Community of Roquefort v. William Faehndrich, Inc.*, Faehndrich argued that the Community could not enforce its “Roquefort” mark against him because “Roquefort” had become a generic term for sheep’s-milk blue cheese.¹⁴⁷ The Second Circuit affirmed summary judgment for the Community because Faehndrich had the burden of proving genericness, and he failed to present facts showing that consumers understood “Roquefort” to be generic.¹⁴⁸ The court found it significant that, other than Faehndrich’s cheese, the only other sheep’s-milk blue cheese marketed in the United States was called “Garden of Eden.”¹⁴⁹ The Community’s diligent protection of “Roquefort” was also an important factor.¹⁵⁰ While these facts may not have been enough to prove non-genericness, they were enough to persuade the court that Faehndrich had not satisfied his burden.

The Fontina and Roquefort cases demonstrate the importance of the presumption of non-genericness.¹⁵¹ While the presumption grants strong protection to those GIs already registered with the USPTO, the lack of the presumption can act as a high hurdle for those GIs still seeking registration. Fontina and Roquefort are both cheeses that have been produced for centuries in specific geographic regions according to traditional methods.¹⁵² Yet “Roquefort” is protected under U.S. law, while “Fontina” is not.

146. *Id.* at 496. For discussion of infringement actions generally, see *infra* Part I.B.1.b.iii.

147. *Faehndrich*, 303 F.2d at 497.

148. *Faehndrich*, 198 F. Supp. at 293; *Faehndrich*, 303 F.2d at 497–98.

149. *Faehndrich*, 303 F.2d at 498.

150. *Id.*

151. For another case demonstrating the importance of the presumption, see *Tea Board of India v. The Republic of Tea, Inc.*, 80 U.S.P.Q.2d (BNA) 1881, 17 (T.T.A.B. 2006) (holding that the registered certification mark for Darjeeling tea had not become generic in spite of a consumer survey showing that a majority of U.S. consumers do not associate Darjeeling with India).

152. *The History*, FONTINA CHEESE, http://www.fontina.org/fontinacheese_history.htm (last visited Feb. 9, 2011); *Faehndrich*, 303 F.2d at 495.

iii. Enforcement

Certification and collective marks benefit from essentially the same protections as traditional trademarks.¹⁵³ The owner of a certification or collective mark can sue infringers.¹⁵⁴ As in a traditional trademark infringement action,¹⁵⁵ the governing standard is the likelihood of confusion of consumers.¹⁵⁶ This standard is consistent with Article 22 of TRIPS.¹⁵⁷

The likelihood-of-confusion standard can lead to unpredictable results. For example, in one decision, the Assistant Commissioner of Patents found that the label “Ameroque” was confusingly similar to the certification mark “Roquefort,”¹⁵⁸ while in another decision, the TTAB found that “Roquital” was not confusingly similar to “Roquefort.”¹⁵⁹ In the “Ameroque” case, the Assistant Commissioner focused on both the similarity of the marks themselves and the similarity of the products.¹⁶⁰ “Roquefort” is a type of French blue cheese and “Ameroque” was a flavored cream cheese spread, containing no Roquefort cheese.¹⁶¹ The Assistant Commissioner reasoned that “it is sufficient to state that in my opinion the name ‘Ameroque’ is so similar to ‘[R]oquefort’ . . . that the public and purchasers would likely be misled, confused and deceived into believing that the cheese spread to which applicant applies the name ‘Ameroque’ contains [R]oquefort cheese.”¹⁶² Thus, a simi-

153. See 15 U.S.C. § 1054 (“Subject to the provisions relating to the registration of trademarks, so far as they are applicable, collective and certification marks, including indications of regional origin, shall be registrable under this chapter, in the same manner and with the same effect as are trademarks. . . . Applications and procedure under this section shall conform as nearly as practicable to those prescribed for the registration of trademarks.”).

154. Beresford, *supra* note 14, at 981. A mark holder can also challenge other pending or existing registered marks through an administrative proceeding before the Trademark Trial and Appeal Board of the U.S. Patent and Trademark Office. *Id.* at 983–85.

155. *King of the Mountain Sports, Inc. v. Chrysler Corp.*, 185 F.3d 1084, 1089 (10th Cir. 1999) (“Likelihood of confusion forms the gravamen for a trademark infringement action.”); see also 15 U.S.C. § 1125(a)(1)(A) (2006) (imposing liability based on a likelihood of confusion standard).

156. Beresford, *supra* note 14, at 981.

157. See TRIPS, *supra* note 15, art. 22, para. 2.

158. *B.M. Douglas Co. v. Abbots Dairies, Inc.*, 67 U.S.P.Q. (BNA) 172 (Dec. Comm’r Pat. 1945).

159. *Cnty. of Roquefort v. Santo*, 157 U.S.P.Q. (BNA) 444 (T.T.A.B. 1968), *aff’d*, 58 C.C.P.A. 1303 (1971).

160. *B.M. Douglas*, 67 U.S.P.Q. (BNA) at 172.

161. *Id.*

162. *Id.* at 173.

lar-sounding label on a similar product was enough to meet the likelihood-of-confusion standard and invalidate the use of “Ameroque.”¹⁶³

The “Roquital” case also involved similar-sounding labels on related products. “Roquital” was a salad dressing containing cheese, though the parties disputed whether the dressing contained any Roquefort cheese.¹⁶⁴ The Community of Roquefort regularly licensed use of the “Roquefort” mark to U.S. producers of Roquefort salad dressing, as long as the salad dressings contained a sufficient amount of Roquefort cheese and contained no cheese other than Roquefort.¹⁶⁵ “Roquital” did not have such a license from the Community of Roquefort.¹⁶⁶ However, the TTAB held that the salad dressing could continue to be labeled “Roquital” because “Roquital” and “Roquefort” are not similar enough to confuse consumers: “‘ROQUITAL’ . . . is readily distinguishable in sound and appearance from ‘ROQUEFORT,’ and it seems unlikely that any purchaser viewing applicant’s mark in its setting would, because of the letters ‘ROQU’, equate ‘ROQUITAL’ with ‘ROQUEFORT.’ ”¹⁶⁷ Like the Assistant Commissioner in the “Ameroque” case, the TTAB focused on the physical similarity of the two words, but came to the opposite conclusion.

On appeal, the Community of Roquefort urged the court to follow the “Ameroque” precedent.¹⁶⁸ But the appellate court deemed the “Ameroque” precedent inapplicable, citing “the substantial difference in the respective marks.”¹⁶⁹ The appellate court affirmed the decision of the board, agreeing that “Roquital” and “Roquefort” do not “so resemble each other that the public will be mistakenly led to believe that appellee’s salad dressing is one certified by appellant [the Community of Roquefort].”¹⁷⁰ Although the court claimed to see some rational distinction between “Ameroque” and “Roquital,” there is no discernable reason to consider one, and not the other, confusingly similar to “Roquefort.” Thus, this pair of cases demonstrates

163. *Id.*

164. *Cnty. of Roquefort*, 157 U.S.P.Q. (BNA) at 446–47. On appeal, the court clarified that whether the “Roquital” dressing actually contained Roquefort cheese was irrelevant. *Cnty. of Roquefort*, 58 C.C.P.A. at 1305.

165. *Cnty. of Roquefort*, 157 U.S.P.Q. (BNA) at 444–46, *aff’d*, 58 C.C.P.A. 1303.

166. *Id.* at 445.

167. *Id.* at 448.

168. *Cnty. of Roquefort*, 58 C.C.P.A. at 1306–07.

169. *Id.* at 1307.

170. *Id.*

one problem with the likelihood-of-confusion test. Since the test often comes down to the subjective judgment of the examiner or judge, it can be unpredictable.

c. Indirect Protection of GIs Under U.S. Law

The most straightforward way to protect a GI under U.S. law is through registration of a certification mark or collective mark. However, even if a GI holder is unable to protect its product with a certification or collective mark, interested parties can protect a GI indirectly by attacking competitors who use misleading geographical marketing. An understanding of these indirect methods of GI protection is essential to give a full picture of how U.S. law protects GIs. Under section 2(a) of the Lanham Act, discussed in Section B.1.c.i, an interested party can challenge the registration of a deceptive trademark. Section B.1.c.ii explains a broader provision, section 43(a) of the Lanham Act, which allows a party to challenge any geographical misrepresentation in commercial advertising. Finally, Section B.1.c.iii points out that the Federal Trade Commission (“FTC”) is empowered to take action against deceptive commercial practices, including deceptive geographical marketing.

i. Section 2(a) of the Lanham Act

Interested parties can challenge the pending or existing registration of a trademark under section 2(a) by showing that the trademark is deceptive.¹⁷¹ Thus, a GI holder can challenge a competitor’s trademark that contains an inaccurate geographical term.¹⁷² But challengers under section 2(a) face a high burden: they must show that the trademark holder has *intentionally* deceived the public.¹⁷³ For example, the TTAB held that the trademark “Italian Maide” for canned goods produced in the United States was not deceptive, despite the mark’s clear “implication of products originating in Italy.”¹⁷⁴ In another case, the TTAB held that the defendant’s “Parma Brand” trademark for American-made pork products was not deceptive even though the defendant deliberately named his

171. 15 U.S.C. § 1052(a) (2006).

172. *Amerise*, 160 U.S.P.Q. (BNA) 687, 691 (T.T.A.B. 1969).

173. *Id.*

174. *Id.* at 691–92.

company after his hometown of Parma, Italy.¹⁷⁵ Thus, because of the required element of intent, section 2(a) is not a promising avenue for indirect GI protection.

ii. Section 43(a) of the Lanham Act

Section 43(a) of the Lanham Act grants a cause of action to any person “who believes that he or she is or is likely to be damaged” by a misrepresentation of geographic origin in commercial advertisements.¹⁷⁶ For example, in *Forschner Group, Inc. v. Arrow Trading Co.*, an American importer of Victorinox Swiss Army knives sought to enjoin the use of the phrase “Swiss Army” on inexpensive pocketknives manufactured in China.¹⁷⁷ Forschner invoked section 43(a), arguing that use of the phrase “Swiss Army” for pocketknives manufactured in China misrepresented the geographic origin of the pocketknives.¹⁷⁸

The Second Circuit established a two-step test for evaluating a misrepresentation of geographical origin claim under section 43(a).¹⁷⁹ First, the court must determine whether the contested phrase is geographically descriptive.¹⁸⁰ If the phrase is not geographically descriptive, then section 43(a) does not apply.¹⁸¹ If the phrase is geographically descriptive, then the court must apply the likelihood-of-confusion standard to determine whether the phrase is used in a deceptive manner.¹⁸² The Forchner Group failed the first step.¹⁸³ The court held that “Swiss Army” is not a geographically descriptive phrase and thus is not eligible for protection under section 43(a).¹⁸⁴ The court reasoned that the word “Swiss” modified “Army,” not “knife,” and that “[t]he phrase Swiss Army knife therefore denotes a knife of the type associated with the Swiss Army,

175. *Consorzio del Prosciutto di Parma v. Parma Sausage Prods., Inc.*, 23 U.S.P.Q.2d (BNA) 1894 (T.T.A.B. 1992).

176. 15 U.S.C. § 1125(a)(1) (2006).

177. 30 F.3d 348, 350 (2d Cir. 1994). The phrase “Swiss Army” is not protected by trademark. *Id.* The two Swiss manufacturers of Swiss Army knives, Victorinox and Wenger, have a handshake agreement whereby neither company will monopolize the phrase by registering it as a trademark. *Id.*

178. *Id.*

179. *Id.* at 354.

180. *Id.*

181. *Id.*

182. *Id.*

183. *Id.* at 355.

184. *Id.*

rather than a military knife manufactured in Switzerland.”¹⁸⁵ Things would have come out differently, the court noted, had the phrase at issue been “Swiss pocketknife.”¹⁸⁶ The court also pointed out that just because “a phrase or term *evokes* geographic associations does not, standing alone, support a finding of geographic descriptiveness.”¹⁸⁷

The Eighth Circuit test is similar to the Second Circuit test, but it includes a subjective element. The Eighth Circuit used this test to enjoin the use of the phrase “Black Hills Gold Jewelry” on jewelry manufactured outside of South Dakota.¹⁸⁸ The court reasoned that the plaintiffs, three South Dakota manufacturers of “Black Hills Gold Jewelry,” were entitled to relief under section 43(a) for four reasons: (1) the phrase “Black Hills Gold Jewelry” was not generic; (2) use of the phrase by the defendants was false; (3) the defendants “knew or should have known of the falsity”; and (4) the falsities “had a tendency to deceive.”¹⁸⁹ The court noted that the tendency to deceive “is closely analogous to, if not identical with, the likelihood-of-confusion test of . . . trademark infringement.”¹⁹⁰ The Eighth Circuit requirement of non-genericness is similar to the Second Circuit requirement of geographic descriptiveness because, by definition, a generic term is not geographically descriptive.¹⁹¹ However, the Eighth Circuit adds a subjective inquiry into the defendant’s state of mind to determine whether the defendant knew or should have known of the falsity of the geographic label.¹⁹²

iii. Protection by the FTC

Under section 5 of the FTC Act, the FTC is empowered to protect the public from “unfair methods of competition” and “unfair or deceptive acts or practices in or affecting commerce.”¹⁹³ In the past, the FTC has used this power to curtail misleading geographic advertising. But, inexplicably, there

185. *Id.* at 356.

186. *Id.* at 355.

187. *Id.* The case was ultimately remanded on a separate claim. *Id.* at 360.

188. *Black Hills Jewelry Mfg. Co. v. Gold Rush, Inc.*, 633 F.2d 746, 747 (8th Cir. 1980).

189. *Id.* at 751, 753.

190. *Id.* at 753 n.7.

191. Conrad, *supra* note 27, at 21.

192. See *Black Hills*, 633 F.2d at 751.

193. 15 U.S.C. § 45(a)(2) (2006).

has been little action by the FTC on this front since the 1960s.¹⁹⁴ Accordingly, some misleading geographic advertising may be quite blatant. Some marketers falsely identify the geographic origins of products through techniques such as placing foreign scenery, symbols, or words on their labels. For example, a marketer of American-made parmesan cheese could falsely indicate Italian origin by using pictures of the Italian countryside, the Italian flag, or Italian phrases in its advertisements.¹⁹⁵ Although such techniques may not fall under the purview of the Lanham Act,¹⁹⁶ they are “deceptive acts or practices” that the FTC is empowered to stop under its section 5 authority.¹⁹⁷ The FTC led an active campaign against false geographic advertising in the 1930s and 1940s,¹⁹⁸ policing geographically deceptive names,¹⁹⁹ pictures,²⁰⁰ symbols,²⁰¹ and

194. See 15 U.S.C.A. § 45 n.228, n.255 (2009) (citing no decisions post-1964 in the Notice of Decisions “Geographical origins, misrepresentations and advertising” subsection or the “Geographical origins, trademarks and trade names, misrepresentations and advertising” subsection); 1A ALTMAN & POLLACK, *supra* note 89, § 5:47 (citing many FTC decisions from the 1930s and 1940s, but citing no relevant decisions post-1964).

195. For an example of Italian imagery in advertising, see a recent commercial for the McDonald’s Chicken Parmigiana Snack Wrap. Marcborins, *McDonald’s Commercial – Chicken Parmigiana Snack Wrap*, YOUTUBE (Jan. 15, 2010), <http://www.youtube.com/watch?v=WNS1nY37aY4>. Note the use of the word “Rome,” the folders arranged to resemble the Italian flag, and the Italian-style “kiss” at the end. *Id.*

196. A deceptive marketing technique may not fall under the Lanham Act because no certification or collective mark is infringed or because the technique does not use a deceptive geographical phrase amounting to a section 43(a) violation.

197. Again, deception is evaluated based on a likelihood-of-confusion standard: “the [FTC] will find deception if there is a representation, omission or practice that is likely to mislead the consumer acting reasonably in the circumstances.” James C. Miller, Chairman, Fed. Trade Comm’n, FTC Policy Statement on Deception (Oct. 14, 1983), *appended to In re Cliffdale Assocs., Inc.*, 103 F.T.C. 110, 174 (1984), *available at*, <http://www.ftc.gov/bcp/policystmt/ad-decept.htm>.

198. See 1A ALTMAN & POLLACK, *supra* note 89, § 5:47, at 5-250 to -254 (citing primarily decisions from the 1930s and 1940s in article on false and misleading advertising of geographical origin).

199. *E.g.*, *London Tobacco Co.*, 36 F.T.C. 282, 282 (1943) (holding that an American producer deceived consumers by marketing cigarettes under the name “London Tobacco Company” and including a simulation of the British coat of arms on its packaging).

200. *E.g.*, *McCurrach Org., Inc.*, 27 F.T.C. 1455, 1461–62 (1938) (holding that an American producer of “Kerry Poplin” neckties deceived consumers by advertising with large display cards picturing “an Irish rural scene, including a horse-drawn vehicle, and . . . characters of obviously Irish nationality”).

201. *E.g.*, *London Tobacco Co.*, 36 F.T.C. at 282 (holding that an American producer deceived consumers by including a simulation of the British coat of arms on its packaging).

deceptive use of foreign languages.²⁰² However, the FTC has neglected this area of consumer deception for the last fifty years.²⁰³ In Part III, this Comment will argue that the FTC should once again use its section 5 authority to curtail misleading geographic advertising.²⁰⁴

2. Europe

GIs enjoy a double layer of protection in Europe: they are protected by the EU-wide system of GI protection and also by GI laws in individual countries.²⁰⁵ Section B.2.a will discuss the EU system of Protected Designations of Origin (“PDOs”) and Protected Geographical Indications (“PGIs”). Section B.2.b will explain the French system of appellations of origin, which provides near-absolute protection for GIs. A discussion of the French system is useful because it has served as a model for GI regimes in several other European countries.²⁰⁶

a. PDOs and PGIs

The European Union protects GIs through a system separate from EU trademark law. GIs for food products²⁰⁷ are protected through a two-tiered system, created in 1992.²⁰⁸ Under the system, a GI can be protected either as a PDO or a PGI.²⁰⁹ The reach of the PDO/PGI system is extensive: over 700 food products are protected.²¹⁰ Products bearing a PDO “must be produced, processed, *and* prepared within the specified geographical area, and the product’s quality or characteristics must be ‘essentially due to that area.’ ”²¹¹ Parmigiano-

202. *E.g.*, *Fioret Sales Co. v. FTC*, 100 F.2d 358, 359 (2d Cir. 1938) (holding that an American perfume manufacturer misled consumers through prominent use of the French language on its perfume labels).

203. *See supra* note 194.

204. *See infra* Part III.B.

205. Mary O’Kicki, *Lessons Learned from Ethiopia’s Trademarking and Licensing Initiative: Is the European Union’s Position on Geographical Indications Really Beneficial for Developing Nations?*, 6 *LOY. U. CHI. INT’L L. REV.* 311, 322–24 (2009).

206. Conrad, *supra* note 27, at 19; O’Kicki, *supra* note 205, at 323.

207. The European Union has created specialized systems of GI protection for wine, spirits, and mineral waters. MCCARTHY, *supra* note 114, § 14:1.50.

208. G. E. Evans & Michael Blakeney, *The Protection of Geographical Indications after Doha: Quo Vadis?*, 9 *J. INT’L ECON. L.* 575, 583–84 (2006).

209. *Id.* at 584–85.

210. *Id.* at 587.

211. *Id.* at 584 (emphasis added) (citing EEC Regulation No. 510/2006, art. 2).

Regianno,²¹² Roquefort, and Fontina are all PDOs.²¹³ The requirements for protection as a PGI are “less stringent” because a PGI “requires the product to be produced, processed, *or* prepared in the geographical area . . . and need only have one particular quality, rather than the majority of the food’s characteristics, that is attributable to, rather than exclusively due to, the geographical area.”²¹⁴ Registration is a mandatory prerequisite for protection under the EU system.²¹⁵ Furthermore, the EU system requires each PDO or PGI to be monitored by an umbrella organization for compliance with quality-control standards.²¹⁶ Thus, much like U.S. certification marks,²¹⁷ PDOs and PGIs guarantee the quality of a product for consumers.²¹⁸

The holder of a PDO or PGI enjoys four broad rights.²¹⁹ First, the holder is protected against unauthorized commercial use of the PDO or PGI on “comparable” products or any unauthorized commercial use that “exploits the reputation of the protected name.”²²⁰ Second, the holder is protected against “any misuse, imitation, or evocation, even if the true origin of the product is indicated or if the protected name is translated or accompanied by an expression such as ‘style’, ‘type’, ‘method’, ‘as produced in’, ‘imitation’, or similar.”²²¹ This right is similar to the rights granted to wine and spirits GIs under TRIPS Article 23.²²² Third, the holder is protected against “any other

212. See Case C-132/05, *Comm’n of European Communities v. Germany*, Opinion of Advocate Gen. Mazák, [2008] E.C.R. I-957, EUR-Lex CELEX 62005C0132.

213. MCCARTHY, *supra* note 114, § 14:1.50.

214. Evans & Blakeney, *supra* note 208, at 585 (emphasis added).

215. See *id.* at 586.

216. Council Regulation 510/2006, On the Protection of Geographical Indications and Designations of Origin for Agricultural Products and Foodstuffs, arts. 4–5, 2006 O.J. (L 93) 12, 19 (EC). See also GIOVANNUCCI ET AL., *supra* note 21, at 62 box 4.2 (describing the monitoring activities of the umbrella organization for Asiago cheese, a PDO).

217. See *supra* text accompanying notes 95–105.

218. See Memorandum from the Delegation of the European Commission to Japan, *Why do Geographical Indications Matter to Us?* (Jul. 30, 2003), http://www.deljpn.ec.europa.eu/home/news_en_newsobj553.php (“Geographical Indications constitute the main pillar of the European Union’s quality policy on agricultural products.”).

219. Evans & Blakeney, *supra* note 208, at 586.

220. Council Regulation 510/2006, On the Protection of Geographical Indications and Designations of Origin for Agricultural Products and Foodstuffs, art. 13.1(a), 2006 O.J. (L 93) 12, 19 (EC).

221. *Id.* art. 13.1(b).

222. See TRIPS, *supra* note 15, art. 23, para. 1.

false or misleading indication” of geographical origin on packaging or advertising materials.²²³ Fourth, the holder is protected against “any other practice liable to mislead the consumer as to the true origin of the product.”²²⁴ These rights may be enforced by the government,²²⁵ as opposed to the U.S. system, which only allows for individual causes of action. Thus, the EU system creates a huge advantage for small producers who cannot afford to protect their GIs through private litigation. Like in the United States, “[a]n important limitation to the scope of protection granted to registered PDOs consists in the fact that generic names do not fall under the protection.”²²⁶

European Commission v. Germany illustrates how much easier it is for a GI holder to prove evocation than to prove a likelihood of confusion.²²⁷ In *European Commission v. Germany*, the Court of Justice of the European Communities grappled with whether “the protection granted to the registered PDO ‘Parmigiano Reggiano’ extend[s] to the German word ‘Parmesan.’”²²⁸ The court held that “parmesan” is a prohibited evocation of “Parmigiano-Reggiano” due to the phonetic and visual similarity of the two words and the fact that both words were used to market hard cheeses.²²⁹ The court interpreted “evocation” as covering “a situation where the term used to designate a product incorporates part of a protected designation, so that when the consumer is confronted with the name of the product, the image brought to his mind is that of the product whose designation is protected.”²³⁰ At first glance, this seems like the U.S. likelihood-of-confusion test, but the court clarified that “it is possible for a PDO to be evoked where there is no likelihood of confusion between the products concerned.”²³¹ Thus, EU law merely requires that an infringing product bring to mind the protected product. The law does not require that a consumer

223. Council Regulation 510/2006, *supra* note 220, art. 13.1(c).

224. *Id.* art. 13.1(d).

225. *See, e.g.*, Case C-132/05, *Comm’n of European Communities v. Germany*, [2008] E.C.R. I-957, EUR-Lex CELEX 62005J0132.

226. *Id.* Opinion of Advocate Gen. Mazák, EUR-LEX CELEX 62005C0132 ¶ 35.

227. *Compare id.* Judgment of the Court, EUR-Lex CELEX 62005J0132, *with* *Cmty. of Roquefort v. Santo*, 157 U.S.P.Q. (BNA) 444 (T.T.P.A. 1968), *aff’d*, 58 C.C.P.A. 1303 (1971).

228. *Case C-132/05*, Opinion of Advocate Gen. Mazák, EUR-Lex CELEX 62005C0132 ¶ 2.

229. *Id.* Judgment of the Court, EUR-Lex CELEX 62005J0132 ¶¶ 46–49.

230. *Id.* ¶ 44.

231. *Id.* ¶ 45.

must actually be confused into thinking that the infringing product is identical with the protected product.

Germany argued that “parmesan” could not be an evocation of “Parmigiano-Reggiano” because “parmesan” is a generic term for a type of hard cheese.²³² The court rejected this argument because Germany failed to meet its burden of proof on the issue.²³³ Germany “merely provided quotations from dictionaries and specialist literature”²³⁴ and should have instead presented “comprehensive information on consumers’ perception of the name ‘Parmesan’, for example in the form of a consumer survey, and consumption and production data concerning cheese marketed as ‘Parmigiano Reggiano’ and as ‘Parmesan.’ ”²³⁵ Since Germany could not show that “parmesan” was a generic term, the court concluded that “use of the word ‘Parmesan’ for cheese which does not comply with the specification for the PDO ‘Parmigiano Reggiano’ must be regarded for the purposes of the present proceedings as infringing the protection provided for that PDO.”²³⁶

Although the court’s decision arguably leaves the door open for a later defendant with better evidence to establish that “parmesan” is generic, Consortium President Giuseppe Alai declared the ruling a “clear victory” that “will put an end to the activities of counterfeiters.”²³⁷ Kraft Foods is not taking any chances. The company no longer markets “parmesan” products in the European Union and uses the term “pamesello” instead.²³⁸

Thus, in both the European Union and the United States, much turns on whether the GI sought to be protected is gener-

232. *Id.* ¶ 51.

233. *Id.* ¶¶ 52, 57.

234. *Id.* Opinion of Advocate Gen. Mazák, EUR-Lex CELEX 62005C0132 ¶ 64.

235. *Id.* ¶ 67; *id.* Judgment of the Court, EUR-Lex CELEX 62005C0132 ¶ 54.

236. *Id.* Judgment of the Court ¶ 57. Technically, Germany was the prevailing party in the case. *Id.* ¶ 82. The court held that although “parmesan” infringes “Parmigiano-Reggiano,” the German government had no obligation to prosecute the offending products. *Id.* ¶ 81. Two months after the decision, the Berlin Court ordered a German producer to cease and desist selling cheese under the name “parmesan.” “*Parmesan*”: *The Berlin Court Condemns the German Company*, PARMIGIANO-REGGIANO CHEESE CONSORTIUM (Apr. 23, 2008), http://www.parmigiano-reggiano.it/en/news/2008_3/bd3e3855e3024da8967d1edb6f4d5c57.aspx.

237. *European Court of Justice Ruling Major Victory for the Consorzio: ‘Parmesan’ is Only for Parmigiano-Reggiano*, PARMIGIANO-REGGIANO CHEESE CONSORTIUM (Feb. 26, 2008), http://www.parmigiano-reggiano.it/en/news/2008_3/998d2546c807405d8253819cc698ccff.aspx.

238. Zacher, *supra* note 36, at 435.

ic, a determination that is often preordained by which party has the burden of proof. The difference between the U.S. and EU regimes is the initial determination of infringement, before the genericness defense is raised. While the United States analyzes infringement based on the consumer-confusion standard, the European Union uses a misuse/imitation/evocation standard. In other words, the United States has implemented the minimum standard required by Article 22 of TRIPS, whereas the European Union provides Article 23 level protection for all GIs. Part II discusses the EU campaign to require all WTO members to similarly provide Article 23 level protection for all GIs.

b. Appellations of Origin

The French have long recognized the importance of the geographical source of food and wine.²³⁹ The concept of “terroir”—that food and wine should “express the soil, climate, culture and tradition of a region”—is engrained in the French psyche.²⁴⁰ The French developed formal laws to protect GIs as early as 1824, when criminal penalties were imposed for the use of false designations of geographical origin.²⁴¹ The modern system of appellations of origin (appellations d’origine) began in 1919.²⁴² Under this system, a geographic name qualifies as an appellation of origin if the producers can show a link between the geographical region and certain characteristics of the product.²⁴³ Producers may then label their product with the appellation of origin if all the product’s ingredients originate in the geographical region.²⁴⁴ A body of government regulations controls the quality of products bearing an appellation of origin.²⁴⁵ Thus, like certification marks in the United States, appellations of origin indicate both source and compliance with quality-control standards.²⁴⁶

239. See Conrad, *supra* note 27, at 11.

240. Jane Black, *The Geography of Flavor*, WASH. POST, Aug. 22, 2007, at F1; see also Creditt, *supra* note 16, at 427.

241. Leigh Ann Lindquist, *Champagne or Champagne? An Examination of U.S. Failure to Comply with the Geographical Provisions of the TRIPS Agreement*, 27 GA. J. INT’L & COMP. L. 309, 312–13 (1999).

242. Conrad, *supra* note 27, at 18; Lindquist, *supra* note 241, at 313.

243. Conrad, *supra* note 27, at 18.

244. Lindquist, *supra* note 241, at 313.

245. Conrad, *supra* note 27, at 18.

246. *Id.*

Two features of the French system stand in stark contrast with the U.S. system: first, registration is mandatory; second, once registered, an appellation of origin enjoys near-absolute protection.²⁴⁷ This protection is near-absolute because infringers may be enjoined “regardless of the impact on the public”²⁴⁸ and because the appellations of origin “cannot be regarded as generic terms.”²⁴⁹ Thus, unlike under U.S. law,²⁵⁰ GI holders under the French system do not have to prove infringement through the likelihood-of-confusion test, and the alleged infringer cannot argue that the GI has become generic.²⁵¹

The French system of appellations of origin has influenced similar systems in Italy, Portugal, Spain, and Switzerland.²⁵² In all of these countries, except Switzerland, GIs enjoy protection domestically as well as protection under the EU system of PDOs and PGIs.²⁵³

II. THE INTERNATIONAL DEBATE

Although the United States and the European Union are allies in pursuing strong protections for intellectual property rights in other contexts,²⁵⁴ the two are “diametrically opposed” when it comes to protection of GIs.²⁵⁵ Since the signing of TRIPS, WTO members have been involved in ongoing negotiations regarding GIs.²⁵⁶ Two camps have emerged, with some countries rallying around the United States and others around the European Union.²⁵⁷ Both the United States and the Euro-

247. *Id.* at 18–19.

248. *Id.* at 18.

249. *Id.* at 18–19.

250. *See supra* Part I.B.1.ii–iii.

251. *See* Conrad, *supra* note 27, at 18–19.

252. *Id.* at 19; O’Kicki, *supra* note 205, at 323.

253. O’Kicki, *supra* note 205, at 322–24.

254. For example, during the TRIPS negotiations, the United States and European Union were united in pursuing strong intellectual property rights for pharmaceuticals. MARK W. ZACHER & TANIA J. KEEFE, *THE POLITICS OF GLOBAL HEALTH GOVERNANCE: UNITED BY CONTAGION* 112 (2008).

255. DINWOODIE, ET AL., *supra* note 43, at 360.

256. *See, e.g., Background, supra* note 35; *Lamy Briefs Members on his Intellectual Property Consultations*, WORLD TRADE ORG. (Jul. 27, 2009), http://www.wto.org/english/news_e/news09_e/trip_27jul09_e.htm [hereinafter *Lamy*].

257. In the debate over extension, the following countries have formally sided with the European Union: Bulgaria, Guinea, India, Jamaica, Kenya, Madagascar, Mauritius, Morocco, Pakistan, Romania, Sri Lanka, Switzerland, Thailand, Tunisia, and Turkey. *Background, supra* note 35. The following countries have formally sided with the United States: Argentina, Australia, Canada, Chile, Colom-

pean Union believe there are billions of dollars at stake.²⁵⁸ The European Union supports strong protections for GIs, advocating for the modification of TRIPS to provide increased GI protection, while the United States opposes any protections beyond those already mandated by TRIPS.²⁵⁹

Specifically, WTO member countries are currently negotiating the extension of TRIPS Article 23 protections beyond wine and spirits to all GIs.²⁶⁰ Under the EU proposal, extending Article 23 protection would mean that GIs would no longer be subject to Article 22's consumer-confusion test. Instead, Article 23's absolute bar on the use of false GIs would apply to all products, though the Article 24 exceptions would remain intact.²⁶¹ The grandfather clause in Article 24 would mean that extension of Article 23's protection would only affect new products,²⁶² and Article 24's genericness exception would continue to exempt generic terms.²⁶³ Unsurprisingly, the European Union is facing strong opposition from the United States on this issue.²⁶⁴ The United States fears that American producers would suffer enormous financial losses under extension.²⁶⁵ Negotiations on the extension issue have been ongoing since the signing of TRIPS, yet no progress has been made.²⁶⁶ A major factor keeping the parties at the negotiating table is money. Accordingly, Section A discusses the economic implications of GI policy. Section B summarizes the debate over the proper level of protection for GIs, contrasting the EU and U.S. arguments.

bia, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, New Zealand, Panama, Paraguay, the Philippines, and Chinese Taipei. *Id.*

258. See Zacher, *supra* note 36, at 434; see also *infra* Part II.A.

259. E.g., ABBOTT, COTTIER & GURRY, *supra* note 19, at 287; *Background, supra* note 35.

260. *Background, supra* note 35.

261. See *id.*

262. *Extension, supra* note 56, ¶ 48.

263. TRIPS, *supra* note 15, art. 24, para. 6.

264. See *Background, supra* note 35.

265. Zacher, *supra* note 36, at 433–34.

266. See, e.g., *Background, supra* note 35. For a detailed summary of the work undertaken on the extension issue from 2002–2005, see *Extension, supra* note 56, ¶ 2, Annex 1. The argument that little progress has been made is based on the fact that despite “shar[ing] a better understanding of some of the problems,” the two sides of the debate “remain divided” after 15 years of negotiations. *Lamy, supra* note 256. This argument is further developed in Part III.C, *infra*.

A. *The Economic Significance of Extension*

There are billions of dollars at stake on both sides of the extension debate.²⁶⁷ American producers like Kraft²⁶⁸ and Anheuser-Busch²⁶⁹ predict enormous losses resulting, in part, from disruptive relabeling and remarketing campaigns if existing products become subject to stricter regulations.²⁷⁰ The United States has listed the following terms as examples of labels that American producers might not be able to use under the translation provision of Article 23: parmesan, asiago, camembert, edam, feta, gouda, balsamic vinegar, kalamata olives, and pilsner.²⁷¹

Although American producers could face significant losses, the European Union claims that its domestic producers are currently losing billions in potential profits because of free-riding.²⁷² Because products bearing GIs demand a premium,²⁷³ they are popular targets for imitation.²⁷⁴ The presence of imitations on the market diverts profits from the true GI holders and undermines consumer loyalty to the GI.²⁷⁵ Furthermore,

267. Zacher, *supra* note 36, at 434.

268. Cox, *supra* note 39 (noting that if the European Union gets its way on the extension issue, “Kraft, which sells 60 million pounds of grated parmesan each year, could be one of the big losers. . . . Kraft’s stable of brands includes a number of vulnerable products: Oscar Mayer and Louis Rich (bologna, salami); Polly-O (mozzarella, grated parmesan); Grey Poupon (dijon mustard); Athenos (feta); and General Foods International Coffees (Suisse Mocha, Italian Cappuccino, Irish Cream)”).

269. “Budweiser beer” is a protected GI in the European Union, referring to beer produced in the Budweis region of the Czech Republic. *Trademarks*, BUDWEISER BUDVAR, <http://budweiser-budvar.cz/en/o-nas/znacka-budweiser-budvar.html> (last visited Feb. 9, 2011). Anheuser-Busch and Czech brewer Budějovice Budvar have been engaged in a battle for the name “Budweiser” for over one hundred years, with about forty legal disputes currently pending across the globe. *Id.* Arguably, Anheuser-Bush could lose big if the United States agreed to stronger GI protection. Zacher, *supra* note 36, at 433–34. For a brief summary of the history behind the Budweiser dispute, see Mark Jarvis, *Which Bud’s for You?*, BRANDCHANNEL (Jan. 5, 2004), http://www.brandchannel.com/features_effect.asp?pf_id=191. For legal analysis, see Jitka Smith, Comment, *Budweiser or Budweiser?*, 32 J. MARSHALL L. REV. 1251 (1999).

270. Zacher, *supra* note 36, at 433–34.

271. *Extension*, *supra* note 56, ¶ 47.

272. Cox, *supra* note 39 (quoting EU Farm Commissioner Franz Fischler).

273. *Why do Geographical Indications Matter to Us?*, *supra* note 218.

274. O’CONNOR & CO., GEOGRAPHICAL INDICATIONS AND TRIPS: 10 YEARS LATER . . . A ROADMAP FOR EU GI HOLDERS TO GET PROTECTION IN OTHER WTO MEMBERS 12 (2007), http://trade.ec.europa.eu/doclib/docs/2007/june/tradoc_135088.pdf.

275. *Id.*

GI holders are forced to engage in “extremely costly” policing efforts against imitators.²⁷⁶

In addition to the free-riding rationale, the European Union seeks stronger protections to give its own small-scale agricultural producers a market edge over U.S. agribusiness. The European Union adopted its aggressive stance toward the protection “of GIs as a means of sustaining the viability of small farming and rural communities” in the face of a global market flooded with cheap, mass-produced agricultural products.²⁷⁷ Strong GI protection is thus a backlash against the American “Green Revolution” model of agriculture, where the focus is on high-yields achieved through “the replacement of human labor with technological innovations, inputs derived from fossil fuels, and mechanized farm equipment,”²⁷⁸ as well as a “shift from perennial rotation of crops to large single crop monocultures.”²⁷⁹ As a result, the Green Revolution has created “a highly concentrated, privatized and technocratic means of agricultural production”²⁸⁰ and has led to “the virtual disappearance of the traditional family farm.”²⁸¹ In contrast, the European Union agricultural model is built around “historical designations applicable to their agricultural production and . . . heavily subsidized farm sectors designed to protect cultural institutions; that is, smaller business operators in agriculture.”²⁸² Rather than embracing the global move toward “quantity-based” agriculture, the European Union has sought to maintain its “quality-based” traditional model “by creating a system that would allow consumers to recognize and pay a

276. *Id.*

277. Evans & Blakeney, *supra* note 208, at 577.

278. Mary Jane Angelo, *Corn, Carbon, and Conservation: Rethinking U.S. Agricultural Policy in a Changing Global Environment*, 17 *GEO. MASON L. REV.* 593, 602 (2010).

279. *Id.* at 606.

280. Evans & Blakeney, *supra* note 208, at 576.

281. Angelo, *supra* note 278, at 602; *See also* FOOD, INC. (Magnolia Pictures 2008); KING CORN (Mosaic Films Inc. & Independent Television Service 2007). Of course, the backlash against the U.S. agribusiness model goes far beyond the EU’s arguments for stronger GI protections. There is also a growing movement within the United States that emphasizes small-scale local agriculture over high yield agribusiness. *See, e.g.*, Peter Appelbome, *Keeping Agriculture Alive Near New York City (Yes, Really)*, *N.Y. TIMES*, Oct. 18, 2010, at A23.

282. Frederick M. Abbot, *Geographic Indications at the Hong Kong Ministerial*, in ABBOTT, COTTIER & GURRY, *supra* note 19, at 287. *But see Panel II, supra* note 29, at 971 (“[I]t seems to me that what is going on under the PARMA label both for ham and cheese is hardly any different from big industry.”) (statement of Professor Annette Kur).

premium for high-quality products produced only by traditional raw materials or methods and only within the regions with which the products originally were associated.”²⁸³

With so much money at stake, both the United States and the European Union have advanced numerous policy arguments aimed at convincing the international community of the philosophical and practical superiority of their positions on extension. At the same time, both sides downplay the economic impacts that extension (or lack of extension) would have on the other.

B. Arguments For and Against Extension

The international debate over GI protections is complex. Countries are concerned about the far reaching effects that extension, or lack of extension, will have on their domestic industries and international trade prospects. They have asserted a wide variety of arguments, ranging from economic predictions to abstract legal principles. Section B.1 will present arguments from the EU perspective, in favor of extension, and will discuss responses from the United States. Section B.2 will switch to the U.S. perspective, presenting the main arguments against extension and the European Union’s responses.

1. The EU Perspective: Arguments and Responses

The European Union puts forth a number of reasons for heightened GI support. First, the European Union argues that extension of Article 23’s absolute bar on false geographic indications would benefit consumers for two reasons. First, extension would advance the availability of quality products because strong GIs enable traditional, quality-oriented products to compete with mass-produced goods.²⁸⁴ Whereas mass producers gain a market advantage by sacrificing quality for cost-efficiency, small-scale producers gain an advantage by capitalizing on the goodwill associated with a GI and charging premium prices.²⁸⁵ However, a GI loses value when lower-quality, mass-produced products are able to free-ride off the goodwill associated with the GI.²⁸⁶ Thus, by reducing free-

283. Evans & Blakeney, *supra* note 208, at 583.

284. *Extension*, *supra* note 56, ¶ 44.

285. *Id.*

286. *See supra* Part I.B.1.a.

riding, extension would increase the value of GIs and incentivize local producers to continue to make quality products as “a valuable alternative to the benefit of economies of scale.”²⁸⁷ In addition, to gain the privilege of using a GI, products must often meet strict specifications set forth by local producer organizations.²⁸⁸ As a result of the exacting quality control standards imposed on producers, GIs have come to “constitute the main pillar of the EU’s quality policy.”²⁸⁹ Because GIs often require adherence to exacting specifications, stricter protection of GIs would increase the availability of quality products to consumers.

The second way that extension would benefit consumers is by ensuring that consumers can identify GIs and therefore know when a particular product comes from a particular region.²⁹⁰ The European Union maintains that consumers pay a “great deal of attention” to geographic origins but that they are often confused by geographic indicators under the current system.²⁹¹ The United States argues that the consumer-confusion test in Article 22 already adequately addresses this issue by prohibiting false GIs that are likely to confuse consumers.²⁹²

Next, the European Union argues that extension would protect producers of quality regional products against free-riding and reputational damage that arise from false GIs.²⁹³ Article 22 does not necessarily bar products from incorporating a false GI as long as the producer mentions the true geographic origin, uses the false GI in translation, or uses the false GI in connection with words like “style” or “imitation.”²⁹⁴ An extension of Article 23 would bar such uses.²⁹⁵ The European Union argues that not only are such uses of GIs examples of blatant free-riding, but such uses are also likely to result in more GIs becoming generic and losing protection altogether.²⁹⁶ The

287. *Extension*, *supra* note 56, ¶ 44.

288. *See, e.g., Rules and Regulations*, PARMIGIANO-REGGIANO CHEESE CONSORTIUM, http://www.parmigianoreggiano.com/consortium/rules_regulation_2/default.aspx (last visited Feb. 9, 2011) (providing links to detailed regulations governing eligibility for use of the Parmigiano-Reggiano GI; regulations cover everything from what dairy cows are fed to how the final product is marked).

289. *Why do Geographical Indications Matter to Us?*, *supra* note 218.

290. *Extension*, *supra* note 56, ¶ 61.

291. *Id.* ¶ 44.

292. *Id.* ¶ 62.

293. *See id.* ¶ 37.

294. *Id.*

295. TRIPS, *supra* note 15, art. 23, para. 1; *Extension*, *supra* note 56, ¶ 37.

296. *Extension*, *supra* note 56, ¶ 40.

United States points out that producers can protect their GIs from becoming generic in the United States by registering certification or collective marks.²⁹⁷ Yet, it may still be impossible for producers to adequately protect their geographic indications with certification and collective marks. For example, the Consortium did register Parmigiano-Reggianno as a certification mark in the United States, but was unable to register “parmesan” because of preexisting trademarks.²⁹⁸

The European Union’s third reason for supporting extension is that strong protections of GIs are essential to support small producers and traditional methods of agriculture.²⁹⁹ As one commentator points out, “it is certainly correct to say that GI protection is a reaction against uniformity, big conglomeration, and globalization.”³⁰⁰ Traditional methods of agriculture are often viewed as more environmentally sound and supportive of local communities than industrialized agriculture.³⁰¹ But, even if one agrees that traditional agriculture is preferable to industrialized food production, it is not clear that the current state of GI protection achieves this goal. For example, Parmigiano-Reggiano production has become largely industrialized.³⁰² Others point out that because regional specifications often dictate a particular species of animal or grape that must be used and outline the method of production in great detail, GI protections encourage the establishment of monocultures.³⁰³

Fourth, the European Union argues that extension would simplify enforcement of GI protections.³⁰⁴ Under the current

297. *E.g., id.* ¶ 41 (“If ‘parmesan’ was really such an important geographical indication, the purported owners could have tried to protect it in the United States as a certification mark, as had the owners of ‘Roquefort.’”).

298. *Id.*

299. *Id.* ¶ 44.

300. *Panel II, supra* note 29, at 971.

301. *See Angelo, supra* note 278, at 602.

302. *See Panel II, supra* note 29, at 971 (“[I]t seems to me that what is going on under the PARMA label both for ham and cheese is hardly any different from big industry.”).

303. For examples of GI specifications that encourage monoculture, see *The Pigs*, CONSORTIUM OF PARMA HAM, <http://www.prosciuttodiparma.com/eng/info/pigs/> (last visited Feb. 11, 2011) (“Parma pigs must be specially bred Large White, Landrance and Duroc breeds.”); *Cultivation Regulations*, OFFICE OF CHAMPAGNE, USA, http://www.champagne.us/index.cfm?pageName=appellation_cultivationregs (last visited Feb. 11, 2011) (“[T]he law specifies: The exclusive planting of only three vine varieties: Chardonnay, Pinot Noir, and Pinot Meunier.”).

304. *See, e.g., Extension, supra* note 56, ¶¶ 37, 42; Special Session of the Council for Trade-Related Aspects of Intellectual Property Rights, *Geographical Indications: Communication from the European Communities*, 2, WT/GC/W/547,

Article 22 standard, a GI holder must prove that the infringer's use of the GI confuses consumers.³⁰⁵ This often means that the producer must commission costly consumer surveys, a barrier that deters many associations of small producers from filing suit.³⁰⁶ The European Union argues extension would be more objective and consistent: "Extension would eliminate legal uncertainties by requiring producers and traders to answer only one simple question when deciding whether to use a GI on a product: did the product come from the place and have the given quality designated by the GI in question?"³⁰⁷ The United States argues, however, that extension would likely just replace one troublesome litigation issue with others. Instead of focusing on the likelihood-of-confusion standard, litigation would instead center on difficult questions such as whether the false GI is a translation or is generic.³⁰⁸ U.S. trademark law already uses the likelihood-of-confusion standard, and thus the United States does not see the standard as overly complicated or burdensome.³⁰⁹

Finally, the European Union argues that there is no good reason to treat wine and spirits differently than other products.³¹⁰ To do so unfairly discriminates against these other products,³¹¹ and no other intellectual property rights are based on such arbitrary distinctions.³¹² To remedy this unfair discrimination and bring GIs more in line with other intellectual property rights, Article 23 protections should encompass all GIs.³¹³

The United States concedes that the current "differential treatment [is] not based on economic or any other form of log-

TN/C/W/26, TN/IP/W/11 (June 14, 2005), available at https://www.ipi.ch/fileadmin/user_upload/Juristische_Infos/e/j11010802e.pdf.

305. TRIPS, *supra* note 15, art. 22, para. 2. For a discussion of the consumer-confusion standard under U.S. trademark law, see *supra* Part I.B.1.b.iii.

306. *Extension*, *supra* note 56, ¶ 42. Consumer surveys are used to prove actual confusion, one of the factors considered by U.S. courts in evaluating the likelihood of consumer confusion. *Rust Env't & Infrastructure, Inc. v. Teunissen*, 131 F.3d 1210, 1218 (7th Cir. 1997).

307. *Extension*, *supra* note 56, ¶ 48.

308. Even though European Community regulations provide extension-level protections for GIs, parties still litigate over issues of translations and genericness. See, e.g., Case C-132/05, *Comm'n of European Communities v. Germany*, [2008] E.C.R. I-957, EUR-Lex CELEX 62005J0132.

309. *Extension*, *supra* note 56, ¶ 48.

310. *Id.* ¶ 9.

311. *Id.*

312. *Id.*

313. *Id.*

ic,” but argues that it represents a compromise the United States made during TRIPS negotiations.³¹⁴ It argues that it should not be obligated to make further concessions as a result of its initial compromise.³¹⁵

2. The U.S. Perspective: Arguments and Responses

The United States has five main reasons for opposing extension. First, the United States’s strongest argument against extension is that extension would “create chaos and simply prove unmanageable.”³¹⁶ Geographic terms are so engrained in product labeling that extension could require a massive overhaul of the food industry as we know it. Geographic labeling is everywhere: chicken parmesan, Buffalo wings, Philly cheese steaks, pad Thai, etc.³¹⁷ Thus, the effects of extension have the potential to be extremely far-reaching.³¹⁸ Critics foresee extension as a scheme where consumers would roam the supermarket aisles unable to recognize the products that they were used to purchasing.³¹⁹ This criticism is especially piercing because the GI protection scheme is partly based on policy goals of reducing consumer confusion. In addition to confused consumers, producers would be spending huge amounts of money on re-naming and re-marketing campaigns.³²⁰ All this confusion and expense to protect the intellectual property rights of some EU farmers does not seem worth the trouble.

The European Union argues that such predictions are overblown. Because Article 24 protection would still apply under extension, the European Union argues, extension would only affect future products.³²¹ Thus, consumers could still easily find the products they are used to. Moreover, while producers may have to be more creative in labeling their new products, there would be no requirement that producers engage in comprehensive re-labeling and re-marketing campaigns.³²² In other words, even if extension rendered “parmesan” off-limits, Kraft could continue selling its parmesan in the green can. Ex-

314. *Id.*; see also *supra* notes 53–54 and accompanying text.

315. *Extension*, *supra* note 56, ¶ 9.

316. *Panel II*, *supra* note 29, at 944.

317. *Id.* at 976–78.

318. *Id.*

319. *Extension*, *supra* note 56, ¶ 62.

320. *Id.* ¶ 47.

321. *Id.* ¶ 48.

322. *Id.*

tension would only prevent it from unveiling any new “parmesan” products. As to concerns that even this would create consumer confusion, perhaps critics underestimate the adaptability of consumers and producers. For example, when Spanish sparkling wine producers could no longer call their product “champagne,” they began to market it as “Cava.”³²³ Consumers did not panic, producers did not go bankrupt, and the Cava industry is prospering.³²⁴ The European Union urges the United States to ignore the doomsday predictions of mass confusion and astronomical re-marketing costs.³²⁵ It assures the United States that adequate protections are in place to ensure a smooth transition into extension.³²⁶

In reality, a transition to an extension regime would probably not go as smoothly as the European Union predicts. The Cava example is not entirely analogous because, in that case, the heightened labeling regulations pertained only to the limited market of wine and spirits. In contrast, extension would be felt in every sector of the food producing, distributing, and marketing industries.³²⁷ There would certainly be some degree of added cost and increased consumer anxiety.

The second U.S. argument is that because so many GIs have become ingrained in Americans’ everyday vocabulary, they do not deserve protection beyond the consumer-confusion standard.³²⁸ The United States is a country of immigrants. In building this country’s food industry, immigrants simply used the same terminology they always used:

indications of geographic origin used in one country began to be used in other countries not because the indications were well-known world-wide and the users sought a ‘free-ride,’ but because citizens of the first country had emigrated to the second and used the same terms for their products that they had used in their home countries.³²⁹

323. *Id.* ¶ 63.

324. *Id.*

325. *See id.* ¶¶ 48, 63.

326. *See id.*

327. *See, e.g., Panel II, supra* note 29, at 978 (“I think people underestimate the extent to which our terminology is actually based in geography.”) (statement of Professor Justin Hughes).

328. *See Extension, supra* note 56, ¶ 38; *see also Panel II, supra* note 29, at 976–78.

329. *Extension, supra* note 56, ¶ 38.

For example, critics of extension would argue that early Italian immigrants to the United States used the term “parmesan” not as an attempt to free-ride, but rather to pay homage to the traditions of their homeland. To these immigrants, “parmesan” represented a certain recipe for making cheese, and the terminology migrated along with the recipe.³³⁰ Many GIs were transplanted to the new world long before they enjoyed official protection in Europe.³³¹ Since then, “[i]mmigrants [have] invested heavily in the development, production and advertising of products using these familiar terms, creating broad demand in both domestic and global markets.”³³² Accordingly, the United States argues that “it could be more accurately said that those old world producers wishing to reclaim those names were the real ‘free-riders’ trying to exploit the marketing success of new world producers.”³³³ Or, as one U.S. Congressman put it:

Parmesan cheese is not on the tip of everyone’s tongue because of anything anyone in Parma, Italy, ever did. It’s because dairy processors, led by Kraft, have spent tens of millions of dollars promoting this terminology so that the vast majority of Americans would put a can in their refrigerator.³³⁴

Such comments reflect the position that old-world GIs have become so ingrained in new world culture that they no longer deserve protection. The counterargument is that if these terms have really become so ingrained that they have lost their significance as indicators of geographic origin, then they are generic and their use will be preserved under the genericness exception.³³⁵

However, the third reason that the United States opposes extension is because it does not believe that the European Union will continue to respect the genericness exception in Article 24.³³⁶ There is evidence that supports the United States’s fears. The European Union has already made several moves to

330. *Panel II*, *supra* note 29, at 976.

331. *Extension*, *supra* note 56, ¶ 38.

332. *Id.*

333. *Id.*

334. Cox, *supra* note 39 (quoting Rep. Bob Goodlatte, R-Va., chairman of the House Agriculture Committee).

335. TRIPS, *supra* note 15, art. 24, para. 6.

336. ABBOTT, COTTIER & GURRY, *supra* note 19, at 287; *Extension*, *supra* note 56, ¶ 49.

eliminate or weaken the genericness exception. During negotiations, the European Union has discussed the need for “adjustments” to the exception.³³⁷ Furthermore, the European Union advocated a regulatory scheme in the negotiations on the issue of the international registry for wine and spirits that would curtail the ability of alleged infringers to use the generic defense.³³⁸ Finally, in WTO Agriculture Committee negotiations, the European Union proposed a “claw-back” list—a list of the most economically valuable GIs in Europe for which it demands “immediate exclusivity in all WTO markets and in all translations . . . without examination and without question.”³³⁹ The list includes arguably generic terms like parmesan, feta, and asiago.³⁴⁰ If the “claw-back” were successful, these terms would be protected GIs, despite the Article 24 genericness exception.³⁴¹ Thus, when the European Union makes assurances that Article 24 exceptions will prevent market disruptions, the United States cannot view these assurances in isolation. When considering these assurances in context, the United States has reason to be skeptical that Article 24 will continue to protect the interests of American producers.³⁴²

Fourth, the United States argues that extension will lead to monopolies.³⁴³ For example, if the consortium were able to successfully reclaim the term “parmesan,” they would gain a powerful monopoly over a product that Americans have come to know and love.³⁴⁴ Instead of being able to choose from a wide variety of “parmesan” brands, consumers would be limited to the Consortium’s Parmigiano-Reggiano and would be forced to pay premium prices.³⁴⁵ Thus, instead of protecting consumers, extension would hurt consumers by driving up prices and eliminating choice.³⁴⁶ Without the incentive provided by competition, product quality may even decline.³⁴⁷ The European Union points out that the United States does not seem to be deterred

337. *Extension*, *supra* note 56, ¶ 49.

338. *Id.*

339. Beresford, *supra* note 14, at 989–90.

340. *Id.* at 989.

341. *Id.*

342. *Extension*, *supra* note 56, ¶ 49.

343. *Id.* ¶ 62.

344. Scott Danner, Note, *Not Confused? Don't be Troubled: Meeting the First Amendment Attack on Protection of "Generic" Foreign Geographical Indications*, 30 CARDOZO L. REV. 2257, 2260–61 (2009).

345. *Id.*

346. *Extension*, *supra* note 56, ¶ 62.

347. *Id.*

from protecting patents and copyrights, even though these forms of intellectual property certainly create monopolies.³⁴⁸ In fact, the European Union argues, GIs do not even create monopolies. GI protections limit labeling, not competition.³⁴⁹ If “parmesan” were reclaimed by the Consortium, Kraft would still be free to offer its cheese in the green can; it would just have to market it differently.³⁵⁰ This argument does little to placate American producers who fear the billions of dollars in remarketing that extension could require. Moreover, if ubiquitous terms such as “parmesan” are removed from the public domain, U.S. producers may be significantly limited in their ability to compete with EU producers.³⁵¹

Fifth, extension may be incompatible with the First Amendment of the U.S. Constitution.³⁵² The Article 22 model of protection is compatible with the First Amendment because it only restricts commercial speech (by prohibiting infringing use of a GI) if consumers are confused:

Trademarks . . . often impose government restrictions on “commercial speech,” and, as such, must be justified in light of the First Amendment. Under the Court’s commercial speech jurisprudence, the government can restrict commercial speech only when certain conditions are met. One axiom under this doctrine is that *misleading* commercial speech can never claim First Amendment protection, as the Constitution has not been construed to permit commercial fraud. Thus, the consumer-confusion rationale can be understood as a means of keeping trademark protection in line with the First Amendment.³⁵³

However, extension would require restrictions on commercial speech even where consumers are not confused.³⁵⁴ Thus, extension may be inconsistent with the First Amendment because

348. *Id.* ¶ 13.

349. *Id.*; *Panel II*, *supra* note 29, at 956.

350. *See Extension*, *supra* note 56, ¶ 48 (“[N]obody would be prevented from producing and selling the product itself.”); Hughes, *supra* note 21, at 351 (“What would happen if the cheese-makers of Parmigiano-Reggiano were given global control of commercial use of ‘Parmesan’? Makers of cheese and cheese products presently labeled ‘Parmesan’ would not stop selling their products; they would re-label and re-brand.”).

351. *See* Hughes, *supra* note 21, at 351.

352. U.S. CONST. amend. I; *Panel II*, *supra* note 29, at 949; Danner, *supra* note 344, at 2269–70.

353. Danner, *supra* note 344, at 2270.

354. *See supra* text accompanying notes 260–61.

“[a]s soon as trademarks start restricting non-confusing speech, constitutional warning bells begin to go off.”³⁵⁵

However, restrictions on non-misleading commercial speech are not *per se* unconstitutional.³⁵⁶ The U.S. Supreme Court has held that “[l]awful, non-misleading speech may be restrained where the government interest is substantial, the regulation directly advances the interest asserted, and the means are no more restrictive than necessary to serve the interest.”³⁵⁷ Nevertheless, at least one commentator doubts that even the current U.S. laws encoding Article 23 could pass constitutional muster: “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.”³⁵⁸

As this Section has shown, there are powerful arguments on both sides of the extension debate. And with so much money at stake, neither the United States nor the European Union seems willing to budge on the issue.³⁵⁹ The following Part argues that the solution to this stalemate is for the United States to take preemptive domestic action to increase GI protection.

III. IMPROVING U.S. REGULATION

The United States should preemptively modify its current GI protection scheme with three goals in mind: (1) avoiding the logistical nightmare of totally overhauling the current system; (2) allowing consumers who value the product integrity of GIs to find authentic products; and (3) limiting free-riding on the reputations of GI producers. There is no need to completely remodel the GI protection scheme because U.S. trademark law and consumer protection law are already well equipped to protect GIs.³⁶⁰ Nor should the United States accept extension of Article 23, as a move from the consumer confusion standard to an absolute standard is unnecessary and overbroad. Yet, the current status of U.S. GI protection could be improved.

355. Danner, *supra* note 344, at 2270.

356. *Id.* at 2271.

357. *Id.* (citing *Cent. Hudson Gas & Elec. Corp. v. Pub. Svc. Comm’n of N.Y.*, 447 U.S. 557, 566 (1980))

358. *Panel II*, *supra* note 29, at 951 (statement of Kenneth Plevan); *but see* Danner, *supra* note 344, at 2257–58, 2274–93 (arguing that heightened GI protections that go beyond the consumer-confusion standard are constitutional).

359. *See infra* Part III.C.

360. *See supra* Part I.B.1.

This Part proposes two steps towards strengthening domestic protection of GIs. Both would preserve the consumer-confusion standard and work within the existing framework of U.S. law. First, Section A proposes a presumption of non-genericness for GIs that are controlled and self-regulated by an umbrella organization. Because these umbrella organizations provide a valuable service by guaranteeing product quality, the law should grant them the special benefit of a presumption of non-genericness. Next, Section B envisions an increased role for the FTC in policing the marketplace with respect to deceptive geographical marketing. Finally, Section C explains why these changes should be implemented preemptively, without waiting for international consensus.

A. *Presumption of Non-Genericness*

Currently, GIs are granted a presumption of non-genericness only when they are registered with the USPTO as certification marks or collective marks.³⁶¹ U.S. law should grant a presumption of non-genericness to all GIs that are overseen by self-regulating umbrella organizations, even before the GIs are registered. Such a presumption would recognize the important role that these GIs have in informing consumers and would incentivize the creation of self-regulating umbrella organizations. In order to take advantage of the presumption, an umbrella organization would have to prove that it is indeed self-regulating—that is, that it actively monitors the producers who use its GI to ensure that all goods bearing the GI meet meaningful quality-control specifications.

GIs that are overseen by self-regulating umbrella organizations benefit consumers more than traditional trademarks because they guarantee that certain quality-control standards have been met.³⁶² Traditional trademarks simply guarantee consumers that a good is produced by certain company, which may or may not have internal quality-control standards. On the other hand, GIs that are overseen by self-regulating umbrella organizations guarantee consumers that a good has a certain origin *and* meets specific standards of quality.³⁶³ For example, Parmigiano-Reggiano is overseen by the Consortium, which ensures that all cheese bearing the Parmigiano-

361. See *supra* text accompanying notes 127–29.

362. See *supra* Part I.B.1.b.i.

363. See *supra* Part I.B.1.b.i.

Reggiano name meets certain quality-control standards.³⁶⁴ Thus, a consumer who values cheese produced according to centuries-old artisanal traditions, with certain unique flavors and textures, can be confident that products labeled Parmigiano-Reggiano are exactly what she wants. Furthermore, since the Consortium licenses the Parmigiano-Reggiano name to all producers who meet the mark's qualifications,³⁶⁵ the consumer can be confident that all products not bearing the Parmigiano-Reggiano mark are not what she wants.

Thus, GIs that are overseen by umbrella organizations benefit consumers by providing them with specific, helpful information. And because markets are more efficient when consumers have more information, a labeling scheme that can succeed in truly informing consumers of what they are buying should result in lower prices and better products.³⁶⁶ Further, "one of the basic principles of a market-oriented economy [is the consumer's] right to be able to choose in the full knowledge of what they consumed."³⁶⁷ Thus, U.S. law should incentivize GI holders to organize umbrella organizations that promulgate and monitor quality-control standards. A presumption of non-genericness for GIs overseen by such umbrella organizations would provide such an incentive.

With a presumption of non-genericness in place, an umbrella organization could register its GI as a U.S. certification mark without the cumbersome burden of proof on the genericness issue. For example, had Fontina been granted the presumption, it would probably enjoy protected status today.³⁶⁸ The presumption would thus result in more GIs registered as certification marks, which would in turn benefit U.S. consumers by providing them with more information about products on the marketplace.

There is a danger that granting this presumption of non-genericness will result in over-protection and that generic terms would be stricken from the public domain. However, the

364. See *supra* notes 3–12 and accompanying text.

365. All certification mark holders, including the Consortium, are required to license the mark to all producers who meet the mark's standards. 3 ALTMAN & POLLACK, *supra* note 89, § 17:18.

366. See generally George A. Akerlof, *The Market for Lemons: Quality Uncertainty and the Market Mechanism*, 84 Q. J. ECON. 488, 488–92, 500 (1970) (examining the problem of information asymmetry and concluding that "where . . . guarantees [of quality] are indefinite, business will suffer").

367. *Extension*, *supra* note 56, ¶ 61.

368. See *supra* notes 130–41 and accompanying text.

presumption of non-genericness is merely that—a presumption. An obviously generic GI could not become a certification mark simply because a coalition decides to form an umbrella organization. For example, a term with ubiquitous market exposure, like “parmesan,” is probably not in danger of falling out of the public domain under the new presumption. The presumption would simply tip the scales in close-call cases, like Fontina.³⁶⁹

Arguably, this new presumption does not fit within the rationale currently underlying the presumption of non-genericness of registered marks. Registered marks are granted a presumption of non-genericness because they have already been examined by the experts at the USPTO.³⁷⁰ Although that rationale does not support a presumption of non-genericness for unregistered GIs, the presumption should be granted nonetheless to GIs that are monitored by self-regulating umbrella organizations. Because the quality-control function provided by self-regulating umbrella organizations is not present in ordinary trademarks,³⁷¹ the law should validate a departure from the traditional rationale in recognition of the unique social utility of GIs controlled by self-regulating umbrella organizations.

B. Increased FTC Role

The FTC should once again use its consumer protection powers to curtail the use of misleading geographical marketing techniques. Marketing regulations should be tightened even beyond the regulation of protected names to prevent products from falsely evoking geographic origin. For example, while it is acceptable for a cheese to be labeled “parmesan” because the term has become generic, the parmesan cheese should not be advertised with marketing tricks designed to confuse consumers by evoking images of Italy. If a consumer wants to buy an authentic Italian product, she should be able to do so easily, without having to check the small print on a vast array of Italian flag-laden products. Furthermore, non-Italian parmesan products should not be permitted to free-ride on the Italian heritage associated with the protected term “Parmigiano-Reggiano.”

Although such marketing restrictions would successfully limit consumer confusion about the origin of products, they

369. See *supra* notes 130–41 and accompanying text.

370. 4A ALTMAN & POLLACK, *supra* note 89, § 26:5.

371. See GIOVANNUCCI ET AL., *supra* note 21, at 66.

would not limit a consumer's ability to find familiar products. The consumer who is looking for hard cheese to grate on top of pasta will have to look no further than the parmesan section. However, she will not be swayed by deceptive advertising falsely associating non-Italian parmesan cheese with Italy.

Although increased regulation would increase costs to producers by forcing changes in marketing, these costs could be minimized by a grandfather clause for advertising materials already printed or produced. Any future costs would be worth the payoff: consumers would no longer receive deceptive information. Accordingly, the FTC should take an aggressive stance against deceptive advertising as to the geographic origin of products.

C. *Preemptive Action*

These steps toward greater GI protection should be taken now. WTO negotiations on extension have reached a stalemate.³⁷² After fifteen years of regular meetings to negotiate, there has been no notable progress.³⁷³ The United States and European Union remain “diametrically opposed.”³⁷⁴ The WTO acknowledges that “[m]embers remain deeply divided, with no agreement in sight, although they are ready to continue discussing the issue.”³⁷⁵ But even if discussions continue, the United States is unlikely to budge on its anti-extension stance: “[T]here is at present a stalemate. The United States will only move if the food—agriculture and food services—industries are willing to move, and this is not yet prepared.”³⁷⁶ The United States is unlikely to make concessions that are opposed by the domestic food industries, and the European Union is unlikely to give up its crusade for extension without significant concessions from the United States.³⁷⁷

372. ABBOTT, COTTIER & GURRY, *supra* note 19, at 288.

373. See, e.g., *Background*, *supra* note 35. For a detailed summary of the work undertaken on the extension issue from 2002–2005, see *Extension*, *supra* note 56, ¶ 2, Annex 1. The argument that little progress has been made is based on the fact that despite “shar[ing] a better understanding of some of the problems,” the two sides of the debate “remain divided” after fifteen years of negotiations. *Lamy*, *supra* note 256.

374. DINWOODIE, ET AL., *supra* note 43, at 360.

375. *Background*, *supra* note 35.

376. ABBOTT, COTTIER & GURRY, *supra* note 19, at 288.

377. See Fink & Maskus, *supra* note 21, at 209 (“Progress [in the extension negotiations] would require significant movement by those members with opposing interests, which seems possible only with substantial political impetus.”); Evans &

Of course, one could argue that stalemate is the best outcome for the United States. After all, stalemate preserves the status quo, and the status quo is no extension. However, although stalemate certainly benefits the United States more than it benefits the European Union, the United States would benefit more from preemptive domestic action on GIs.³⁷⁸ For one, such preemptive action could ease diplomatic tensions with the European Union by proving that the United States takes GI protection seriously. But more importantly, increased protection of GIs will benefit U.S. consumers and the U.S. economy.

CONCLUSION

The United States should make two changes to its domestic GI policies: (1) GIs that are overseen by umbrella organizations should be granted a presumption of non-genericness; and (2) the FTC should once again police the marketplace for deceptive geographical advertising. These two changes would fit within the existing trademark framework to raise the level of GI protection without accepting extension of Article 23 protections to all GIs. Substantial numbers of consumers seek out GIs because GIs represent small-scale, quality-oriented production schemes. On the other hand, extension of Article 23's absolute protections risks monopolies and chaotic relabeling campaigns. This Comment attempts to achieve a balance that recognizes and respects the value of traditional regional products while maximizing informed consumer choice in the free market.

Blakeney, *supra* note 208, at 613–14 (“[A] deep division between Europe and the United States as to the manner in which GIs should be regulated . . . [is] likely to ensure that the protection of GIs remains a contentious issue for some time to come.”).

378. See Beresford, *supra* note 14, at 996–97 (“Instead of renegotiating the TRIPs Agreement . . . attention should be given to promoting domestic registration systems that are cost-effective, efficient, open, transparent, and fair for both domestic and foreign GI owners.”).