Cognac after Spanish Champagne? Geographical Indications as Certification Marks

Daniel J Gervais, Vanderbilt University

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6. A COGNAC AFTER SPANISH CHAMPAGNE?

GEOPHGRAPHICAL INDICATIONS AS CERTIFICATION MARKS

Daniel Gervais*

Claret is the liquor for boys; port for men; but he who aspires to be a hero must drink brandy.

(Boswell. The Life of Samuel Johnson, April 7, 1779).

1. An Introduction (to American Champagne)

The Spanish Champagne case, adroitly discussed by Dev Gangjee, is one of the so-called “Drinks” cases. It is very unlikely to happen tel quel in a US court. This is because in the 2006 “Wine Pact” the European Union agreed not to challenge existing uses of so-called semi-generic appellations (including champagne) by producers in the United States. Specifically, the Pact allows continued use of semi-generic appellations used in the US before December 13, 2005, provided the term is only used on labels bearing the brand name for which an applicable certificate of label

* Ph.D., MAE, Professor of Law and Director, Vanderbilt Intellectual Property Program, Vanderbilt University Law School.


approval (COLA) has been issued. This means that American champagne is here to stay for the predictable future.

However, this is not the end of the story of geographical indications (GIs) in the United States, far from it, for at least two reasons. First, internationally, the Wine Pact did not “affect the rights and obligations of the Parties under the WTO Agreements,” which includes TRIPS. Ongoing discussions at the WTO might thus lead to changes in US law. Second, the Pact only applies to wine, which leaves spirits and a host of other products to which GIs might apply including the recent example of Darjeeling tea. Let us see how the story might unfold in the United States.

Telling the US side of the GI story takes us a few hundred miles southwest of Champagne, to the Cognac region of France. “Cognac” is a well-known term in the United States. Indeed, there have been a number of cases dealing with that particular type of brandy. Before pouring into that discussion, however, I should note that the spirit of Spanish Champagne informed the Cognac-related discussion in the United States. The link is found in the emergence of a notion of collective goodwill in Spanish Champagne and other Drinks cases. This conceptual construction, namely the recognition of a notion of goodwill not linked to a single producing entity but rather to a “collectivity” of producers (here operating in a given geographical area), proved key in protecting French Champagne makers under unfair competition law in the UK. As we will see, it undergirds US law as well.

The recognition of collectively owned goodwill suggests two additional liminary normative observations. First, there is nothing inherently shocking about the notion of goodwill as “collective” if one accepts that a trademark is protected as an indicator of a perceived origin (usually defined as the producer) because that origin may well be a group of producers. Second, both single-producer and “group of producers” marks

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3 COLAs are issued by the Alcohol and Tobacco Tax and Trade Bureau, under 27 CFR § 4.30. See Alcohol, Tobacco Tax and Trade Bureau, Department of the Treasury, Labeling Requirements for Wine, 27 CFR § 4.30. Provisions implementing Article 6 were introduced in December 2006 by § 422 of the appropriately named Tax Relief and Health Care Act of 2006. The label must identify the wine as produced in the US. 27 CFR. §4.24(b)(1).

4 Wine Pact, supra, Art 12(1).

can be solidly grounded in the central tenet of trademark law, namely that it aims to provide potential purchasers with useful source or product information in making a purchasing or similar decision.\(^6\)

While there are key parallels to be drawn with *Spanish Champagne* and US law, there are also important differences between the legal environment in which that case bubbled up and the current US regime, particularly the development of *certification marks*. Those marks will be a central feature of the discussion below. They are defined in the US statute as:

> [Marks] used upon or in connection with the products or services of one or more persons other than the owner of the mark to certify national or other origin, material, mode of manufacture, quality, accuracy, or other characteristics of such goods or services or that the work or labor on the goods or services was performed by members of a union or other organization.\(^7\)

In adding marks that certify not a producer but rather “national or other origin, material, mode of manufacture, *quality*, accuracy, or *other characteristics* of such goods or services” to the statute, Congress arguably codified a notion of collective goodwill in a way that is compatible with the international notion of geographical indication. Indeed, the TRIPS Agreement (incidentally, TRIPS was the first multilateral instrument to use the term “geographical indications”) defined GIs as “indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given *quality*, reputation or *other characteristic* of the good is essentially attributable to its geographical origin.”\(^8\) There is thus a fair degree of parallelism between the international notion of GI and that of geographic certification marks in United States law.\(^9\) That said, after this quick sip of Champagne as our backdrop, it is us now time to move on to Cognac.

2. The Cognac cases

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\(^6\) Which, when seen from the flip side, translates into the more common “negative view” of trademark rights as a prohibition of using misleading or confusing information on a product or its packaging.


\(^8\) TRIPS Agreement, art. 22.1.

\(^9\) By which I mean the use of a certification mark to certify geographic origin.
The story of Cognac in US trademark law points to three main cases. The first dates back to 1944. The date matters because, although the case is silent on that point, sympathy for France may have been a factor at that particular juncture in US history. The case was in fact a consolidation of twelve cases involving applications for the trademarks COLOGNAC and CALOGNAC for brandy and oppositions to those applications by a genuine Cognac maker. The oppositions were not made on the basis of pre-existing registrations for other marks (such as COGNAC). Instead they were made under the terms of the statute in force at the time, which allowed certain parties (this would emerge in the case, as we shall see) to oppose the use of descriptors as marks if those would confuse or mislead the consumer. The oppositions were considered, first, by the Examiner of Trade-Mark Interferences who basically did not recognize the opposers’ right to oppose the applications and thus rejected the oppositions without stating much in terms of reasons. The opposers appealed the matter to the Commissioner of Trademarks, who was more sympathetic to their arguments, at least to the extent that he accepted both the opposers’ standing and the fact that a symbol could be both a geographic descriptor and a mark. This “dual purpose” is now well accepted in US trademark law and was “codified” in the Wine Pact and US legislation’s recognition of “semi-generic” appellations. Having overruled the Examiner on those points, the Commissioner then decided to treat the matter as any other trademark application:

'It seems to me the only question requiring determination is whether it appears reasonably likely that people seeing the name 'Calognac’ on brandy will believe the brandy to be cognac; in other words whether 'Calognac’ will be reasonably likely to impress purchasers and the public as merely a corruption

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10 Otard, Inc., v. Italian Swiss Colony, 141 F.2d 706 (Cust & Pat.App. 1944).
11 Under Section 5 of the Trade-Mark Act of 1905, 15 U.S.C.A. § 85. The relevant portion read as follows:
Trade-marks which are identical with a registered or known trade-mark owned and in use by another and appropriated to merchandise of the same descriptive properties, or which so nearly resemble a registered or known trade-mark owned and in use by another and appropriated to merchandise of the same descriptive properties as to be likely to cause confusion or mistake in the mind of the public or to deceive purchasers shall not be registered. [Emphasis added]
12 141 F.2d 706, at 707.
13 The test is whether the “primary significance of the term in the minds of the consuming public is not the product but the producer.” Kellogg Co. v. National Biscuit Co., 305 U.S. 111, 118 (1938).
or a mere misspelling of the word 'cognac' and to mean nothing else but
cognac either descriptively or geographically or both.\textsuperscript{14}

On the basis of evidence before him, the Commissioner affirmed the rejection of the
opposition. He basically found that the addition of a syllable [in COLOGNAC and
CALOGNAC] in particular “differs from the word ‘Cognac’.”\textsuperscript{15} At least he had heard
the case on the merits.

The matter was then submitted to what was to be its final level, the Court of Customs
and Patent Appeals. This is where it becomes particularly important for our purposes,
because the Court made a number of key findings that have informed certification
mark cases up to the present day.

First, in agreement with the Commissioner, the Court accepted the opposers’ standing,
noting that a “party, upon a showing of probable injury, might maintain an action for
cancellation of a registered mark found to be descriptive.”\textsuperscript{16} Second, and more
importantly, the Court accepted the opposers’ evidence to justify their claim in a way
that seemed to provide a solid normative grounding for their case:

‘Cognac’ is a name applied to a type of brandy distilled from wines made from
grapes grown in a limited territorial region of France, often referred to as the
Cognac district, the boundaries of which are defined by French law.[…] There
is a certain quality in the soil of the region which gives to the grapes there
grown a particular character or flavor, which enters into the brandy made from
them, and that that quality of soil is not found elsewhere in France, nor, it is
claimed, in any other part of the world. It is recognized as a superior brandy.\textsuperscript{17}

Third, unlike the Commissioner, the Court considered the fact that specific US
regulation of labels could be relevant in informing the trademark analysis, noting that
Regulations No. 5 of the Federal Alcohol Administration of the Treasury
Department\textsuperscript{18} defined ‘Cognac’ or ‘Cognac brandy’ as “grape brandy distilled in the
Cognac Region of France.”\textsuperscript{19}

Having thus situated the case, the case noted the “sui generis” nature of the case:

\textsuperscript{14} 141 F.2d 706, at 707.
\textsuperscript{15} Cited in id. at 710.
\textsuperscript{16} 141 F. 2d. 706, at 710.
\textsuperscript{17} 141 F.2d 706, at 708.
§ 201 et seq.
\textsuperscript{19} Id.
The peculiarity of the case grows out of the fact that ‘Cognac’ is not claimed to be a technical trade-mark used as such, or subject to exclusive ownership. Appellee would have the right to use it in the same manner that appellant uses it- that is upon brandy imported from the Cognac region of France, but there is no claim on the part of appellee that it would be entitled to use it on domestically produced brandies or on any brandies other than that coming from the described region. It is, in fact, a substantive name which for hundreds of years has meant brandy of a particular type.

Indeed, as I explain in greater detail below, it is in the nature of a certification mark that anyone who complies with the standard certified by the mark can use it. It is equally true that there is a “substantive” quality to a certification mark, a reputation built over a long period of time. 20

It should come as no surprise that the Court disagreed with the Commissioner’s factual conclusions. While the last words of the opinion seem to be borrowed from the same “syllable by syllable” analysis book as the Commissioner’s, its outcome strikes me, as the excerpt below should show, as informed by the importance and value it attached earlier in the opinion to Cognac as a GI, and the applicants’ apparent desire to free-ride on a well-known name:

The application for its registration does not divide the term into syllables. The first letter of it, and the last four letters are identical with similar letters of Cognac. If the next two letters (A and L) were eliminated there would remain only the word Cognac. Certainly, the two terms are quite similar in appearance. We are unable to escape the conclusion that appellee, whatever its motive, in trying to establish a trade-mark sought one as nearly like Cognac as it could find or coin, and in adopting ‘Calognac‘ it certainly made a close approach.

This takes us to our second case, four decades later. A highly inventive entrepreneur, perhaps having seen that applications for COLOGNAC and CALOGNAC had not

20 This is recognized in TRIPS, which does refer to the reputation associated with a GI. See above.
been successful in the 1940s, applied for COLAGNAC, again for brandy.\textsuperscript{21} The case evidently has strong similarities to the previous one but it was also different in part because the opposer was not a producer of Cognac but rather an entity responsible under French law for defending the word Cognac, that is, what, in \textit{Spanish Champagne} parlance, could be described as the trustee or agent of the owners of the “collective goodwill” in the Cognac “brand.”\textsuperscript{22}

The 1946 Trademark (Lanham) Act with its specific provision for certification marks, had been adopted before the application at issue (but after the previous case). Indeed, one of the first steps taken by the Board was to note that certification marks were now defined in the statute and included marks used to denote a regional origin.\textsuperscript{23} Additionally, the statute also contained a prohibition of the registration of a mark which “when applied to the goods of the applicant, is primarily geographically descriptive or deceptively misdescriptive of them.”\textsuperscript{24}

As in \textit{Spanish Champagne}, one can see GI building blocks being added to the previous (\textit{Otard}) case by the Trademark Appeal Board. First, here again the Board quickly accepted the opposer’s standing as defining a \textit{common law certification mark}, a much clearer basis than in \textit{Otard}:

\begin{quote}
We believe it is clear that the designation ‘COGNAC’ serves as a certification of regional origin, as well as of the quality of the brandy products entitled to bear the designation under French laws and regulations, which quality results from the use of the required type of grape, methods of distillation, aging
\end{quote}

\begin{footnotesize}

22 As described by the Board in its opinion:

1\textsuperscript{[A]n} interprofessional association having the status of a corporate body, created by decree in 1941 under the authority of the French Ministry of Agriculture and Ministry of Economy and Finance to oversee the protection of the term ‘COGNAC’ (as a designation for a type of brandy) and the interests of the ‘COGNAC’ trade, namely, the vintners, trading firms and various auxiliary professions.” At *1.

23 The terminology was new, but not the notion of a collectively owned mark. Section 62 of the Trade-mark Act of 1905 referred to standardization marks. The statute was amended in 1936 and again in 1938 to provide for registration of collective marks owned by foreign associations. See Registration of Collective Marks, 75\textsuperscript{th} Congress, 3d session, Senate Report No, 1770 (1938). Some of these marks were used to denote a form of certification by the association.

\end{footnotesize}
conditions, etc. Moreover, under French law, opposer Bureau is responsible for certifying the genuineness of brandy bearing the designation ‘COGNAC’ and for protecting the designation ‘COGNAC’ as an appellation of origin. Under the circumstances, we are of the opinion that (as contended by opposer Bureau in its brief on the case) the term ‘COGNAC’ is a common law regional certification mark controlled (but not used) by opposer Bureau (and that opposer Bureau is therefore entitled to rely upon it herein for purposes of its allegation of likelihood of confusion under Section 2(d) of the Act).  

The Board then turned to the substance of the opposition. The test was presented as follows, putting the focus squarely on the consumer:

If a mark is the name of a place known generally to the public, purchasers who encounter goods bearing the mark would think that the goods originate in that place [i.e., purchasers would make a ‘goods-place association…], the goods do not come from the named place, and the deception is material to the purchasing decision, the mark is deceptive under Section 2(a); if the deception is not material to the purchasing decision, the mark is primarily geographically deceptively misdescriptive under Section 2(e)(2) of the Act.

The last step for the Board was simple enough. It referred to Otard and decided that the outcome should be the same here.

This leaves the third case, decided a decade later, which, factually, is closer to Spanish Champagne because the mark at issue was CANADIAN MIST AND COGNAC, that is, a direct use of the relevant GI (Cognac) by the trademark applicant. The opposer, the Institut National des Appellations d’Origine, was also a “GI defending entity” like in the previous case. However, it was not just responsible to defend Cognac but indeed a vast number of protected wine and spirit appellations (GIs) in France.

The opinion parallels the previous, 1988 case. First, the Board was quick to accept COGNAC as a common law certification mark. Second, it also noted the protection of

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25 At *7.
COGNAC under labeling regulations. However, it added a significant stone to the construction of our GIs as certification marks edifice in its clear finding that:

[I]f the use of a geographic designation is controlled and limited in such a manner that it reliably indicates to purchasers that the goods bearing the designation come exclusively from a particular region, then that term functions as a regional certification mark, just as a term which reliably indicates to purchasers that the goods come from a particular producer functions as a trademark…[T]he issue is not whether the public is expressly aware of the certification function of the mark or the certification process underlying use of the mark, but rather is whether the public understands that goods bearing the mark come only from the region named in the mark. …

Neither the statute nor the case law requires that purchasers also be expressly aware of the term’s certification function.

The Board drew on well-accepted principles of trademark law. A consumer may not know exactly where or who the “source” of a product is, but when she has come to expect a certain quality or other feature, then that expectation creates goodwill which trademark law will protect. In economic terms, there would be a loss, and little obvious surplus created, by letting anyone make a product called “cognac” if the consumer used to “the real thing” was no longer able to find or identify it. This left the Board with a decision on the proper statutory ground for the opposition.

It rejected the part of the opposition claiming that the applicant for CANADIAN MIST AND COGNAC was trying falsely to suggest a connection with opposers under Section 2(a) of the Act. The conclusion drawn here is rather technical: the opposer was not an actual user of the common law mark COGNAC. To win under section 2(a), the opposers would have to show that there was an attempt to suggest a connection with individual Cognac producers, which the evidence did not demonstrate:

27 Namely 27 C.F.R. § 5.22(d)(2).
28 47 U.S.P.Q.2d 1875, at 1884 [emphasis added].
29 The appeal was heard on summary judgment and, therefore, without adducing additional evidence.
Opposers have not explained how applicant’s mark CANADIAN MIST AND COGNAC, or even COGNAC alone, can point uniquely and unmistakably to each of these discrete entities, or to all of them, or to any of them.\textsuperscript{31}

The Board then moved to the more common section 2(d), which deals with likelihood of confusion with a preexisting mark. More common perhaps, though not necessarily for certification marks. Still, the Board decided that the test was the same for all marks:

There is nothing in the language of Section 2(d) which mandates or warrants application of one level of likelihood of confusion analysis […] in cases where the plaintiff’s mark is a trademark or service mark, but a different and more limited likelihood of confusion analysis in cases where the plaintiff’s mark is a certification mark.\textsuperscript{32}

In other words, deception (or a higher level of evidence) was unnecessary. Certification marks should be treated, for purposes of an infringement analysis, in the same way as ordinary trademarks.

The Board’s conclusions are clear, and they were not arrived at by happenstance. In fact, the applicant had submitted rather forceful arguments why certification marks were different. His main argument was that, consistent with the nature of certification marks, the Board should apply a deceptiveness or misdescriptiveness analysis under Section 2(d) virtually identical to that used under Section 2(a) or Section 2 (e)(1), rather than a traditional analysis of likelihood of confusion as to source or sponsorship because the issue in Section 2(d) cases involving certification marks, is the purchaser’s confusion as to the nature of the goods, i.e., \textit{whether they are certified or not}. Here, said the applicant, there was no confusion because the product did contain some real Cognac (\textit{i.e.}, the certified product). Put differently, he argued that there had to be an element of deception for the opposer to prevail, and failed.

My sense is that we are left, after the three Cognac cases, with the following ‘takeaway’:

\textsuperscript{31} At 1887.
\textsuperscript{32} At 1891.
US courts are prepared to recognize the quality or characteristics attributable to geographic origin as a form of collective goodwill;

- The previous point is reinforced by the protection of GIs on wines and spirits in specific labeling regulations;
- They are prepared to recognize agents of this collective goodwill as having a sufficient interest to defend their rights under the Lanham Act;
- The notion of certification mark is the proper vehicle to protect this form of collective goodwill;
- Certification marks exist also at common law;
- The test for infringement of (and, it seems, generally speaking as well), certification marks should otherwise be treated like all other marks.

This also means that the normative claims of certification mark owners in GIs are rooted, like their trademark siblings, in confusion. Whether a particular symbol or word conveys primarily a geographic origin significance or not is, therefore, directly relevant. Logically, therefore, as consumers of wine, food and other “geographically determined” products understand information conveyed by food and wine labels better, they will also expect those labels to be accurate when the information conveyed is perceived as denoting a geographical origin. Geographic certification mark infringement should be subject to a dynamic legal test, a threshold for which might be crossed when the consumer search costs increase because the consumer is better informed about what a wine label conveys and finds information now perceived as geographical in nature confusing or inaccurate.33 To quote Judge Rich, “Rights in this field do not stay put. They are like ocean beaches; they shift around. Public behavior may affect them.”34

It is conceivable that what was primarily a generic identifier of a type of product would, in time, become a GI protected as a certification mark.35 GIs could lead US

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33 See Margaret Ritzert Champagne Is From Champagne: An Economic Justification For Extending Trademark-Level Protection To Wine-Related Geographical Indicators, 37 AIPLA Q.J. 191, 204-205 (2009).
35 McCarthy noted this possibility of “resuscitation” of a once-generic symbol:
“I believe that the door should remain open (even if only open slightly) to an assertion of trademark status in formerly generic names. The only purpose is to
consumers to become more discerning when buying wines based on their origin and may reduce the confusion (if any) in buying “champagne” not made in the Champagne region of France.  

3. Certification Marks

The notion of collectively owned goodwill is not new. In his detailed study of certification marks, Jeffrey Belson shows many marks owned by Guilds (but to be used by Guild members) dating back to 1420, such as these:

<INSERT FIGURE 6.1 HERE>

Figure 6.1: Traditional Coopers (Guild) Marks

These marks belonging to the London Coopers were registered at the London Guildhall in 1420. They were made of iron. However, after the 16th century when the monarchy and later Parliament increased their intervention in guild affairs, the protection of marks was gradually taken over by wards and boroughs and later by uniform regulations throughout the realm. The matter was, however, seen as trade regulation, not trademark law. Statutory changes in the UK would take long to recognize trademarks as including certification.

The US picture is a little different. The Cognac cases discussed above show the willingness to recognize collective goodwill in the form of common law certification marks, starting with Pillsbury-Washburn Flour Mills Co. v. Eagle in 1898. In that case, the court enjoined a Chicago company from using Minnesota on flour produced in Milwaukee, Wisconsin but advertised as made in Minneapolis. The court accepted

accommodate the rare and extraordinary event that a generic name over a period of years loses its generic significance and achieves trademark significance.”

Mccarthy, § 12:47.


38 See id. at 130.

39 See id. at 8-9.

40 See id. at 11-12 and 20-21. See also Trade Marks Act 1994, s. 50 and Sched. 2, para. 3(2) (UK)

that there was deception because Minnesota producers had high standards and frequent inspections, which apparently was not the case in Wisconsin.\textsuperscript{42}

There are two key features of modern notion of (registered) certification mark in Anglo-American systems. First, as with the guild marks--which applied to goods and services offered by members of a guild but not the guilds themselves--, the law precludes the owner from using the mark on the certified goods, in order to maintain the owner’s independence as a certifier.\textsuperscript{43} Second, ad this would have likely been different with the guilds, certification cannot be refused to anyone who complies with the standard.\textsuperscript{44}

4. GIs as certification marks

GI, like (all) marks, depend on reputation and associated goodwill. In the case of a geographic certification mark, that collective goodwill is linked to a region or locality. One of the central findings of Spanish Champagne was that the collective nature of the mark did not preclude relief for passing off. The progeny of the Drinks cases\textsuperscript{45} was a shift from the need to have central quality control justifying the protection to the current situation where any affected producer may file a claim in civil courts without having to show this level of control or agreement of the collective.\textsuperscript{46} New Zealand courts have also been willing to protect French “Champagne” makers.\textsuperscript{47} In the United States, courts have generally taken a less liberal approach on the right of

\textsuperscript{43} See supra, Belson, note \textsuperscript{37} at 32.
\textsuperscript{44} See id. WIPO makes a similar point: “[C]ertification marks are given for compliance with defined standards, but are not confined to any membership. They may be granted to anyone who can certify that the products involved meet certain established standards. The internationally accepted ‘ISO 9000’ quality standards are an example of such widely-recognized certifications.” WIPO, About Trademarks, available at http://wipo.int/trademarks/en/about_trademarks.html#what_kind (last visited Jan. 14, 2013).
\textsuperscript{45} See supra note 1.
\textsuperscript{47} For Canada and New Zealand, see supra note 1.
action by individual users, and thus given the holder of the certification mark more control. The owner “acts as the representative of the mark users.”

*Spanish Champagne* and related cases also marked an extension of the scope of passing off. That extension was one of recognizing collective goodwill typically evidenced by the existence of a reputation. This reputational element is what is used to justify or at least explain the higher price sought by producers of GI goods in systems where GIs are protected by a sui generis regime. While cultural, historical and other differences between marks and sui generis GIs may remain, there are very few if any differences between geographic certification marks as used in the US that would require the existence of a sui generis regime to effectively protect what TRIPS defines as a geographical indication.

There are a few issues that must be examined, however, before concluding that certification marks can be a valid bridge between the sui generis GI world and Anglo-American trademark systems. As a matter of trademark law, the owner of a certification mark—not the State—controls the certification standards. Certification marks can be applied to wine produced in the Champagne region of France or to Cognac in accordance with methods approved for use there. US examples of geographic certification marks include IDAHO POTATOES, PARMIGIANO-REGGIANO, ROQUEFORT, STILTON, REAL CALIFORNIA for cheese, PARMA for ham, DARJEELING for tea, WASHINGTON for apples, and the FLORIDA SUNSHINE TREE for citrus.

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48 For example, in *State of Idaho Potato Com'n v. G & T Terminal Packaging, Inc.*, 425 F.3d 708, 721–722, 76 U.S.P.Q.2d 1835 (9th Cir. 2005), the Ninth Circuit found that selling genuine Idaho potatoes using the name IDAHO constituted counterfeiting of the certification mark IDAHO for potatoes because the mark owner did not have the opportunity to exercise quality control.

49 See 1 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 19:92.50 (4th ed. 2012)


52 See Justin Hughes *Champagne, Feta, And Bourbon: The Spirited Debate About Geographical Indications*, 58 HASTINGS L.J. 299, 310 (2006). A vast majority of certification marks in the United States are not for geographic origin, however. They include marks registered by unions and various standardization bodies, such as Underwriters’ Laboratories. See supra BELSON, note 37, at 26-28.
So why would certification marks not be adequate to protect GIs? The possible reasons I found in the literature are: (a) the role of the State (or absence thereof) in enforcing certification marks; (b) transferability (e.g., by sale) of the certification mark; (c) the alleged greater value of GIs compared to marks; and (d) the better fit for traditional knowledge with GIs than certification marks. Let us consider each one briefly.

4.1. The Role of the State in Protecting GIs

Geographical indications are commercial symbols. That is not to say that those who say GIs are not, or are “more than just” marks, do not have a point. At their most basic level, trademarks indicate the source or origin or a product or service. In famous words of Learned Hand: “[A] trademark is not property in the ordinary sense, but only a word or symbol indicating the origin of a commercial product.” Do GIs actually do more or something different?

Perhaps the GI world can be mapped according to a division of labor. In the “common law world,” protection against false information that a geographically incorrect indication might convey is a matter dealt with by individual trademark owners under trademark law, and occasionally by consumer protection agencies. However, the Lanham Act also provides relief for false designation of origin quiet apart from the rights of the owner of the certification mark. In countries where

53 At least, that is the traditional explanation. See McCarthy note supra, at § 3:3:

“[T]he proponent of trademark rights must show that this designation in and of itself serves the function of indicating the origin of the product—that is, that it functions as a ‘trademark.’ The prime question is whether the designation in question, as actually used, will be recognized in and of itself as an indication of origin for this particular product or service.” (notes omitted)

54 Industrial Rayon Corp. v. Dutchess Underwear Corp., 92 F.2d 33 (2d Cir. 1937), cert. denied, 303 U.S. 640, 82 L. Ed. 1100, 58 S. Ct. 610 (1938).

55 Under section 5 of the FTC Act in the United States, the FTC is empowered to protect the public from “unfair methods of competition” and “unfair or deceptive acts or practices in or affecting commerce.” 15 U.S.C. § 45(a)(2). As far as trademark law is concerned, one should say “perceived as incorrect” because the test is not objective correctness but rather consumer perception and the possible confusion/deception that might be present. However, trademark law is also relevant for two main reason: First ¶43(a)(1)(B) of the Lanham Act (15 U.S.C.A. § 1115(a)(1)(B) ) is not limited to trademark holders, second, ¶ 2(a) of the Act bars registration of geographically deceptive terms.

56 As McMarthy notes: “The Eighth Circuit has held that § 43(a) embodies and carries forward the common law cases which permitted a group of manufacturers in a locality to assert the right to truthfully use a geographic designation as against a manufacturer who does not make the product in the named locality. This claim exists apart from any trademark or certification mark rights in plaintiff, for it is founded on the false advertising prong of §
Forthcoming in INTELLECTUAL PROPERTY AT THE EDGE (JC Ginsburg and RC Dreyfuss, eds) (Cambridge Univ. Press)

geographical indications are protected by sui generis regimes, which consider GIs as better or as having higher status than ordinary trademarks, governmental authorities, sometimes in partnership with producer associations, monitor and enforce the proper use of the indication under as . It is this conflation of roles that seems to give GIs a special status in the realm of commercial symbols. 57 Collective goodwill may lead to issues of fiduciary, agency or other rules to represent the collective, owner of the mark/GI. Should the state own the right or exercise it? When it does, the difference between a GI and a mark is real, but it seems exaggerated to consider it as defining GIs qua GIs for a number of reasons.

First, governmental authorities play a different role in trademark origination generally in civil and common law countries, yet both are indisputably protecting trademarks qua trademarks. “Under common law, trademarks come into existence through use. The United States’ regime, thus, represents a so-called use-based system; whereas, the German system, adopting the civilian law, confers trademark rights upon registration.”58 In other words, the ex ante component found in civil law trademark regimes, and absent in the common law world where trademark protection evolved from the tort of passing off, already establishes a different role for government. Indeed, that difference in the role of the state in trademark issuance has not prevented the adoption of uniform rules such as those contained in the TRIPS Agreement. 59

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57 For example in Panama, under Panama Law No. 20 on the Special Intellectual Property Regime Upon the Collective Rights of Indigenous Communities for the Protection of their Cultural Identity and their Traditional Knowledge, Ley No. 20, of June 26, 2000, the State has a duty to protect certain GIs associated with traditional knowledge. This raises issues of guardianship and even expropriation. See Commonwealth of Aust. Dep’t of Communications, Information Technology & the Arts, Report of the Contemporary Visual Arts and Crafts Inquiry 152 (2002), http://www.arts.gov.au/public_consultation/earlier-consultations/cvac_inquiry/report. The link between GIS and traditional knowledge is discussed more specifically in the section 3.4 below.


Second, the role of the state does not necessarily mean that GIs are more valuable because they are somehow better at quality control or assurance than trademarks. Trademarks can do that as well. As Justice Frankfurter noted in *Mishawaka Rubber & Woolen Mfg. Co. v. S.S. Kresge Co.*, a trademark “promotes honesty and comports with experience to assume that the wrongdoer who makes profits from the sales of goods bearing a mark belonging to another was enabled to do so because he was drawing upon the good will generated by that mark.”  The goodwill that results from use of the mark may be described as the mental link that will be formed between a buyer’s mind and the product or service (and, notionally at least, its “origin”). In common law jurisdictions, uses that infringe on the value of another’s goodwill in commerce may be enjoined, independently of registration. As the two more recent Cognac cases show, an unregistered certification mark can be protected in the presence of consumer confusion. It can also be used to claim injunctive relief.

Courts are a governmental authority. They form part of a quality control loop because they will punish a trademark holder who fails to maintain any quality control (such as in cases of naked licensing) of its product by deeming the mark abandoned. As the Seventh Circuit noted in a recent opinion:

There is no rule that trademark proprietors must ensure “high quality” goods—or that “high quality” permits unsupervised licensing. [...] The sort of supervision required for a trademark license is the sort that produces consistent quality. [...] How much control is enough? The licensor's self-interest largely determines the answer. Courts are apt to ask whether “the control retained by the licensor [is] sufficient under the circumstances to insure that the licensee's goods or services would meet the expectations created by the presence of the trademark.”

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60 316 U.S. 203, 207 (1942).
62 General Motors Corp. v. Gibson Chemical & Oil Corp., 786 F.2d 105 (2d Cir. 1986) also comes to mind “The critical question in determining whether a licensing program is controlled sufficiently by the licensor to protect his mark is whether the licensees' operations are policed adequately to guarantee the quality of the products sold under the mark.” A progressive lowering of standards is much less likely to result in a finding of abandonment, however.
63 Eva's Bridal Ltd. v. Halanick Enterprises, Inc. 639 F.3d 788, 790 (7th Cir. 2011).
It is true, however, that, in the common law world, policing (including bringing a lawsuit against infringers) of geographic certification marks remains largely in private hands. In those jurisdictions, the role of the state (here, courts) in GI enforcement is *ex post*. The *ex ante* substantive determination by a governmental authority that a GI is justified by a special characteristic is thus a notable administrative difference--and one which may prompt GI holders to codify their practices to convince such authority. However, presumably the holder of any trademark (and in particular a certification mark) wants to develop the same degree of credibility in the marketplace as the GI user. In addition, the Lanham Act does link registration of a certification mark with the applicant’s ability to control quality.

Section 4 of the Act provides that such marks are registrable by persons “*exercising legitimate control over the use* of the marks sought to be registered.” Applicants “are also required to furnish a copy of the standards to demonstrate how they exercise control over the use of the mark and to establish that they are, in fact, engaged in a certification program.” Then, those marks shall be entitled to protection “when used so as to represent falsely that the owner or a user thereof makes or sells the goods or performs the services on or in connection with which such mark is used.” Finally, the US statute also provides that a petition to cancel a registration may be filed “in the case of a certification mark on the ground that the registrant *does not control, or is not able legitimately to exercise control* over, the use of such mark.”

In sum, it seems to me that, while the process is different, the outcomes are comparable. The difference in the role played by the State does not strike me as somehow proving the fundamentally or ontologically different nature of GIs. In

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64 Indeed, a “certification mark is symbolic of a guarantee or the meeting of certain standards.” 1 McCarthy note 49 supra at § 4:16.
68 This has been described as being in “stark contrast” to the U.S. system. See Emily Nation, *Geographical Indications: The International Debate Over Intellectual Property Rights For Local Producers*, 82 U. Colo. L. Rev. 959, 990 (2011). However, the government is involved in seizure of counterfeit goods at the border and criminal prosecution of trademark counterfeitors. The real issue is the *ex ante* determination and “seal of quality” that it provides. Ironically, when the U.S. government does certify the quality or other characteristic of a product, it uses a mark to do so (e.g., USDA Organic). See Michelle Traher, *USDA
both cases (whether marks or GIs as sui generis symbols), what matters in the end is the quality of the “certifier” (the perceived origin of the good or service in the case of a mark or the organization ensuring the integrity of the certification mark or GI) and its ability to convince the public that the GI or certification mark does certify an origin perceived to add value to the product.

4.2 Transferability

Rules that favor transferability of trademarks without the transfer of the entity identified as the “origin” of the product are recent.69 Traditionally, the goodwill generated by and attached to a mark was seen as existence symbiotically with the mark and thus could not be separated.70 Rules prescribing transferability now abound, and in certain cases (for example if all the necessary knowhow is transferred and quality remains the same) transferability is contingent on maintaining the semiotic function of the mark in the consumer’s mind. 71 For that reason, transferability of a GI (linked to a specific geographic origin) may not be possible. A contract could not validly state that “Champagne” (as protected and defined under the French Appellation of Origin system, essentially a subset of GIs) may be made in Morocco or New Zealand.72 Yet, any trademark transfer or license is tricky. Indeed, the transfer of many certification marks73 would be as nonsensical as Champagne made in

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70 Comm’rs of Inland Revenue v. Muller & Co.’s Margarine Ltd., [1901] A.C. 217, 22: “For goodwill has no independent existence. It cannot subsist by itself. It must be attached to a business. Destroy the business and the goodwill perishes with it.”
71 As Calboli explains: Article 6quater … rather than plainly stating that misleading assignments are invalid, … stated that these agreements may be considered invalid. Despite this awkward language, the question was solved by Article 10bis of the Paris Convention, which forbids any act that could mislead consumers, including deceptive or confusing trademark assignments, as acts of unfair competition.” (notes omitted) Irene Calboli Trademark Assignment “With Goodwill”: A Concept Whose Time Has Gone 57 FLA. L. REV. 771, 818 (2005).
73 The term “certification mark” is the Lanham Act means any word, name, symbol, or device, or any combination thereof—
(1) used by a person other than its owner, or
(2) which its owner has a bona fide intention to permit a person other than the owner to use in commerce and files an application to register on the principal register […] to certify regional or other origin, […] or other characteristics of such person’s goods or services or that the work
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Bordeaux (‘‘Wisconsin’’ cheese made in Louisiana?) Again, this strikes me as a distinction between trademark law and sui generis GI regimes without a substantive difference.

4.3 The (Greater) Value of GIs

Both trademarks and GIs (if perceived as sui generis symbols) can influence behavior and consumption patterns. This is especially true when demand is elastic, as is typical with more expensive and luxury goods. A GI allows the producer relying on that elastic nature to incorporate the value perceived by the consumer in buying a good made in x into the product. While I fully accept this, is this fundamentally different than paying y more for a bag because it bears the Louis Vuitton mark? All marks may contain information designed to appeal visually or otherwise to modify a purchasing decision, two functions that Catherine Ng has called informational and magnetic value, respectively. “Champagne” might be seen as an information-conveying sign (“this wine is from the Champagne region of France”) and as a sign with magnetic value (“I am getting the real thing and am willing to pay more for it”). Naturally, a GI must have informational value (because it identifies a specific region), but arguably a trademark must as well because to exist as a trademark it must link a product or service (mentally) to its perceived “origin.”

Recent research also suggests that GI protection may impact global food consumption patterns and lead to shifts in agricultural models. However, surely all trademarks have the ability to guide consumers. I am not only referring here to product marks or labor on the goods or services was performed by members of a union or other organization. Lanham Act § 45, 15 U.S.C. § 1127.

74 See US certification marks 1548738;1548739;2964548 and 77205580.
75 See Ritzert, supra note 33, at 209-210.
76 See id., at 217-219.
77 See Catherine Ng, A Common Law of Identity Signs, 20 INT. PROP. J. 177, 221-222 (2007).
78 See Elizabeth Barham, Translating Terroir: The Global Challenge of French AOC Labelling, 19 J. OF RURAL STUD. 127, 128 (2003) (“Most authors identify origin labeled products as important manifestations of ‘‘local,’’ ‘‘quality,’’ or ‘‘endogenous’’ food systems. They are seen as contributing to the ‘‘consumer turn’’ which may portend major shifts in the conventional agricultural model. Gilg, in fact, estimates that as global agricultural production differentiates into a bipolar system of high volume ‘‘day-to-day’’ foods produced and distributed by multinational corporation and lower volume niche or specialty products such as those produced under labels of origin, the latter category could come to account for as much as 30 percent of overall food sales due to their higher value” (notes omitted). The reference to Gilg is to ANDREW GILG, COUNTRYSIDE PLANNING: THE FIRST HALF CENTURY, 2nd, 71 (1996).
(e.g. Coca-Cola ®) but also to certification and collective marks that indicate that a product is organic or kosher, for example.

GI s, like (all) marks, undeniably can increase the value of a product in the market and exponentially increase the profits in particular if there is not a huge difference in production costs. This, in turn, translates into much higher land value where production under a protected GI or a geographic certification mark is allowed. Indeed the same has happened to US regions producing products associated with a geographic certification mark in high demand, such as NAPA for wines, FLORIDA for orange juice, and VIDALIA for onions produced in Eastern Georgia.

4.4 Cultural Resources and Traditional Knowledge

The supposed greater linkages between GIs and culture than is the case with other marks are not an altogether convincing narrative. Andy Warhol’s use of soup cans and the many artists who have used iconic marks in their work, and those that people proudly wear on t-shirts, bags, etc. make a strong case that trademarks are powerful cultural memes in the same way, perhaps even more so, than CHAMPAGNE, GRUYÈRE OR CHIANTI.

One might counter than GIs tend to be older and rooted in the land. That point is valid, but again it should not be overemphasized. While GIs can symbolize the link between a product and its geographical origin, they often depend (to be worth

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79 This is not binary. A producer of GI-related products may have to follow additional quality control etc. steps that may increase production cost. But if the cost of production of bubbly wine goes from $5 to, say, $7 to benefit from the CHAMPAGNE GI, but the sale price goes from $15 to $45, then profit is increased by 380% ($10 to $38).

80 See Thièbault Dromard, Le champagne en quête de nouvelles terres, LE FIGARO, Dec. 17, 2007, available at http://www.lefigaro.fr/vins/2007/10/26/05008-20071026ARTFIG00048-le-champagne-en-quete-de-nouvelles-terres.php. According to this article, the price of a hectare of land (approximately 2.5 acres) moving from outside to inside the appellation zone would jump by 35,000% to almost $1,500,000.

81 Napa is an interesting case study. The property lies within the larger Napa Valley AVA, American Viticultural Area, or appellation. The Napa Valley AVA encompasses the entire 300,000 acres of Napa County. Approximately ten percent of this land is utilized as vineyards. Within the Napa Valley AVA and its 240 wineries, the microclimates are distinctive. Due to these differences, the Napa Valley AVA has been further subdivided into fourteen sub-appellations.

82 CAMPBELL’S of course.
protesting) on the existence of a reputation, and decades or centuries may be necessary to establish one in the relevant public’s eye, just as trademarks also grow with use. In fact, many countries and international instruments recognize well-known/famous marks and protect them more than ordinary marks.83

Historically, a number of GIs, especially those linked with land seen as “terroir” or traditional knowledge, may have deeper roots than most ordinary trademarks. The terroir implicates a certain emotional resonance in Europe and runs deep. Indeed, it is not an exaggeration to say that it is sometimes linked to national identity.84 This may explain why traditional knowledge holders increasingly argue that GIs might protect part of their special relationship to their land.85 Politically, it is also relevant that GIs on many food products are based in the developing world and often owned by women.86 However, the exploitation and protection of GIs is unlikely to be a capacious vehicle for this deep history, unless it can be communicated to and understood by consumers of different cultural backgrounds, especially internationally.

This normative undergirding of GI is subject to other theoretical challenges. As illustrated in Otard above, people can move (outside the region), taking their know-how with them, though not the physical link between place and product.87 Indeed, allowing producers in other regions to produce and use the GI on their product may, under various doctrines such as acquiescence or laches, may lead to a loss of right and

83 Paris Convention, art. 6bis.
87 Arguably, the more human factors are involved, the weaker is the rationale for protecting a GI only in a specified region. See Kal Raustiala and Stephen R. Munzer, The Global Struggle Over Geographic Indications, 18 EUR. J. INT’L L. 337, 353 (2007).
possibly genericide.\textsuperscript{88} That very case has been made against protecting “Champagne.”\textsuperscript{89} Overall, however, while there may be a higher degree of connection between GIs and the land and certain forms of traditional knowledge, the similarity in acquiring value through time and use is very strong. In my view, it does not justify in and by themselves a sui generis regime, especially for products like wine whose commercial value (as any other product) may be greater than the traditional and/or cultural value. Finally, I would go back to Andy Warhol and underscore the deep cultural resonance of at least certain famous marks.

5. Looking Ahead

The historical and cultural roots of GIs have led a number of countries to want to play a greater role in their recognition. They tend to emphasize their higher normative profile compared to other commercial symbols. At bottom, the argument is that the collective goodwill of a region (however its producers are represented and manage the use of the GI) has intrinsically a higher value than the goodwill associated with a normal commercial trade mark. This is not because trademarks cannot recognize collective goodwill; they do.\textsuperscript{90} Just not that kind of goodwill.

Indeed, other than well-known marks, GIs in Europe trump normal trademarks. For example, Torres is a well-known Spanish producer of wine. Some of its trademark registrations for TORRES date back almost 100 years.\textsuperscript{91} In the early 1990s, Portugal registered TORRES as a protected GI under Articles 40(2) and (3) of EC Regulation 2392/89.\textsuperscript{92} Under the absolute priority principle (that is, GIs trump pre-existing marks), the Spanish producer would have had to abandon a reputable trademark, just not that kind of goodwill.

\textsuperscript{88} A major point of contention in international negotiations is precisely genericide. Under the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration (“Lisbon Agreement”), 923 UNTS 205 (Oct 31, 1958), genericide is only possible if the GI has become generic in the country of origin. See Gervais, note \textsuperscript{99}, at 99-100.

\textsuperscript{89} “One can compare the results for aspirin to the results for champagne. As a result of genericide, when competing producers of the same type of painkiller called their product “aspirin,” Bayer lost the exclusive right to the name. Champagne is already a generic or descriptive term.” Deborah J. Kemp and Lynn M. Forsythe, Trademarks and Geographical Indications: A Case of California Champagne, 10 CHAP. L. REV. 257, 267-8 (2006). As between the EU and the U.S., the matter was resolved under the Wine Pact. See infra note \textsuperscript{99}.

\textsuperscript{90} As with certification marks.

\textsuperscript{91} See Nina Resinek, Geographical Indications and Trade Marks: Coexistence or ‘First in Time, First in Right’ Principle, 29 EUR. INT. PROP. REV. 446, 449 (2007).

causing untold damages to its goodwill and revenue. The Regulation at issue was later amended to allow for coexistence, for well known “brands” that predate the official recognition of the appellation by at least 25 years.  

However, this is not unique to GIs. For example, the Olympic marks trump other marks under a special U.S. statute. In a famous example of how those statutes are applied, “[t]wo teachers took students, who had Coca-Cola in their lunches, to a cricket match--Pepsi was the event's official sponsor. Event officials would not permit the students' ‘entry until they peeled off the Coca-Cola labels and scraped off the logos from all the bottle tops and lids’.”

The EU has argued that higher sui generis protection for GIs is not harmful. EU negotiators have used the Cava example to argue that having to stay away from a GI like Champagne has not caused harm to Spanish producers of (now) Cava wines. They note that cava wine consumption has increased in France after Cava producers were no longer to indicate it was made like champagne. This is a possible reply to the United States negotiators who fear that banning a list of terms such as parmesan, asiago, camembert, edam, feta, gouda, balsamic vinegar, kalamata olives, and pilsner

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94 The Ted Stevens Amateur Sports Act (ASA) “grants the United States Olympic Committee (USOC) an almost absolute right to control the use of any Olympic-related words, marks, mottos or insignia by others.” Edward Vassallo, et al., An International Look at Ambush Marketing, 95 TRADEMARK REP. 1338, 1350 (2005). Like many sui generis GI regimes, the ASA does not require the USOC to show any likelihood of confusion. Canada, China, Greece, Italy and Australia, to name just a few have similar legislation. See Ari J. Slifffman, Unconstitutional Hosting Of The Super Bowl: Anti-Ambush Marketing Clean Zones' Violation Of The First Amendment, 22 MARQ. SPORTS L. REV. 257, 267 (2011).

95 Id. at 268. Those special Olympic mark statutes do not protect the trademark holders (such as Coca-Cola or Pepsi in this example) directly, but rather as official Olympic sponsors.

96 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 P 9, WT/GC/W/546 (May 18, 2005), at 47-48 and 63 [hereinafter “Extension Note”]. See also Hughes, supra note 52, at 369 (“Have Champagne district sparkling wine sales displaced Spanish sparkling wine sales in Spain? Have Cava sales dropped in the rest of Europe? The answer to each question looks to be no.”); and 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).

might threaten US producers of goods using those terms. Clearly, beyond the normative and theoretical issues at play, there are billions of real dollars at stake. How can we move the international ball forward? The United States prefers a trademark approach, and the “first in time, first in right” approach. The TRIPS Agreement allows countries to pick this system and the analysis in the previous pages supports the use of geographic certification marks to protect what article 22.1 of TRIPS defines as “geographical indications.” Under such a system, the Torres case could not happen because the mark owner was there before the GI emerged. Under a trademark regime, the first user (almost always) wins.

This leaves legacy issues with use of European and other GIs in the United States. As I mentioned above, there may well be cases where what was a generic descriptor may acquire dual meaning (that is, be also seen as a GI by consumers). If that second, GI use becomes predominant, a GI symbol might emerge from the ashes of a generic

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98 Extension Note, at 47. PILSNER was the first GI registered under the Lisbon Agreement.

While one could dispute the major losses, the immediate gains for those companies are harder to see. The interest of US GI-based production and other trade interests would have to be factored into any negotiation.

100 “The first user, then, to appropriate and use a particular mark—the “senior” user—generally has priority to use the mark to the exclusion of any subsequent—or junior—users.” Emergency One, Inc. v. American Fire Eagle Engine Co., Inc., 332 F.3d 264, 268 (4th Cir. 2003). See also Ford Motor Co. v. Summit Motor Products, Inc., 930 F.2d 277, 292 (3d Cir. 1991).

101 See Gervais, note 2 supra, at 105-106. Concerning first in time under the Lisbon Agreement, see id., at 97.


103 Under US law, there is a limited exception for a junior registered user vis-à-vis a senior unregistered user after the five-year incontestability period has expired. Essentially, the senior user/nonregistrant may retain exclusive rights only in the area of its actual use and its zone of natural expansion. See Wrist-Rocket Mfg. Co. v. Saunders Archery Co., 578 F.2d 727 (8th Cir. 1978).
commercial term, and the protection might even be tailored to recognize the dual use. It is extremely rare for a genericized trademark to be restored to trademark status, though it does happen: “In the entire history of American trademark law, the courts have held that only two terms that had been generic names were reclaimed from the public domain by a change in public usage to become protectable trademarks: SINGER for sewing machines and (arguably) GOODYEAR for rubber products.”

However, that may be more likely to happen for geographic certification marks. Indeed, it seems fair to suggest that foreign GIs known in the United States for a variety of reasons (international travel, advertising, etc.) which are currently “generic” might acquire goodwill, which could then entitle them to certification mark status, assuming of course that the public correctly learns the lesson that the mark owner is endeavoring to impart.

A second issue is the need (to comply with TRIPS) to protect certain GIs, namely those used in connection with wines and spirits. Even in the absence of consumer confusion that is, beyond the traditional confines of trademark law. In the United States, a non-trademark solution has been found, as mentioned already, by using ATF regulations (labels).

As a normative matter, however, and beyond such considerations, a common law jurisdiction should find it easier to transition to a GI-friendly legal environment by staying within the more capacious bounds of trademark law. It brings with it the dynamic nature of consumer perceptions and thus avoids putting the protection cart before the perception horse. At any given point in time, some consumers will have

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104 McCarthy, note 49, supra, at § 12:30. McCarthy also noted that the Federal Circuit had adopted the view that a generic name can change its meaning, “holding that the proponent of trademark rights in ‘opry’ as a mark for country western shows could prove that the term had been reclaimed from public domain status since the Eighth Circuit had held eight years previous that ‘opry’ was a generic name for such shows.” Id.

105 Art. 23.1 of the TRIPS Agreement.

106 See Part 1 supra. See also Jacques Audier, International Institutions and Accords, in WINE IN AMERICA: LAW AND POLICY, 438 (2011)

107 I am relying here not only on Dr. Gangjee’s chapter in this book but also his previous work. See Dev Gangjee, Quibbling Siblings: Conflicts Between Trademarks and Geographical Indications, 82 CHI.-KENT L. REV. 1253, 1254-57 (2007). See also Deborah J. Kemp, Trademarks and Geographical Indications: A Case of California Champagne, 10 CHAP. L. REV. 257 (2006).
transitioned in their perception of a generic term to its GI meaning, and others will not.\textsuperscript{108}

Let us separate prospective buyers into two groups. Let us call them cognoscenti and ignorami. The societal costs to be borne here and the related externalities that should matter are those imposed on the cognoscenti by allowing the ignorami to expect to find the terms they perceive as generic versus the costs imposed on ignorami for letting the cognoscenti purchase products on which they can trust the information they perceive to be geographical in nature.

There is not necessarily a single, simple solution to this problem. One could do math and wait for a 50\% (or other more or less arbitrary) threshold to be crossed by the army of cognoscenti and tip the scales in their favor, as in the predominant use cases. Alternatively, one could posit that the cognoscenti know more—including the fact that the information on labels is transitioning from product to origin description--, so that disclaimers or other methods could be employed to allow dual use (that is, both as indicating type and source) to continue. This may leave courts in a bind because there will be a likelihood of confusion at both ends. It may be easier to solve confusion at the cognoscenti end by using devices such as disclaimers, as already noted. Perhaps that is a viable solution, until the army of ignorami is so decimated that the issue with respect to a given product disappears.\textsuperscript{109}

My point is not to pick one of these (or indeed other possible) solutions. Rather, my point is that by staying within a uniform system (trademark law), we leave it to courts to decide when the adequate threshold has been crossed with respect to a specific product. In other words, it may be easier if the battle is fought within the trademark system in “countries in transition” towards better GI protection rather than between two separate system, that is, by introducing as new, sui generis GI regime.

\textsuperscript{108} Which seems to justify (ex post perhaps) the use of a term such as semi-generic, which otherwise seems ontologically warped.

\textsuperscript{109} The Wine Pact’s approach to grandfather users (that is, not to allow new users) is arguably a step towards that result, but education of the consuming public may work best.
What the *Spanish Champagne* and Cognac cases have shown is that trademark law can accommodate the form of collective goodwill (in the US, as registered or unregistered certification marks) that GIIs aim to protect. A *sui generis* system is simply not required. Hard questions remain on the management of collective goodwill in traditional knowledge and innovation. Those may take longer to solve because the matter is not just one of registration and allowing commercial producers to defend their rights, individually or collectively. The debate is also infused with broader questions of sovereignty and recognition of “past sins” in a postcolonial context. The fact that this comment is about champagne and cognac, elite products from a Western nation, should not escape us. It informs how law may protect forms of collective goodwill, but it does not provide a complete answer.

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110 Indeed, in proposing a protocol to the Lisbon Agreement--an option that WIPO is now pursuing--I had indicated that the Lisbon Agreement did not require a *sui generis* system. See Gervais, note 99 *supra*, at 87-89.