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## Removing the Greek from Feta and Adding Korbel to Champagne: The Paradox of Geographical Indications in International Law.

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# Removing the Greek from Feta and Adding Korbel to Champagne: The Paradox of Geographical Indications in International Law

Michelle Agdomar\*

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## INTRODUCTION

Why is there so much consternation surrounding appellations like Champagne,<sup>1</sup> Feta cheese,<sup>2</sup> and basmati rice?<sup>3</sup> Do consumers

<sup>1</sup> “A white sparkling wine from Champagne, a region in Northeast France.” THE CONCISE OXFORD ENGLISH DICTIONARY (Oxford University Press, Revised 10th ed. 2002) [hereinafter CONCISE OXFORD ENGLISH DICTIONARY]. “Champagne is made by *méthode champenoise*. This traditional method requires a second fermentation in the bottle as well as some 100 manual operations (some of which are mechanized today). Champagnes can range from pale gold to apricot blush. Their flavors can range from toasty to yeasty and from dry (no sugar added) to sweet.” SHARON TYLER HERBST, THE NEW FOOD LOVER’S COMPANION (Barron’s Educational Series, 2d ed. 1995), *available at* <http://web.foodnetwork.com/food/web/encyclopedia/termdetail/0,7770,1057,00.html>.

<sup>2</sup> “A white salty Greek cheese made from the milk of ewes or goats. ORIGIN modern Greek *pheta*.” CONCISE OXFORD ENGLISH DICTIONARY, *supra* note 1. The cheese is traditionally made with sheep’s milk, or a combination of sheep and goat milk. Feta cheese is curdled with rennet, separated and allowed to drain in a special mold or cloth bag. The cheese is then cut into large slices that are salted and cured in brine solution for a week to several months. Feta, Wikipedia, <http://en.wikipedia.org/wiki/Feta> (last visited Oct. 7, 2007). Feta cheese is “crumbly and rindless. It has a rich, tangy flavor, contains from 45 to 60 percent milk fat and can range in texture from soft to semidry.” HERBST, *supra* note 1, *available at* <http://web.foodnetwork.com/food/web/encyclopedia/termdetail/0,7770,2446,00.html>.

<sup>3</sup> “A kind of long grain Indian rice with a delicate fragrance. ORIGIN Hindi fragrant.” CONCISE OXFORD ENGLISH DICTIONARY, *supra* note 1. The word basmati means “the queen of fragrance,” and it is famous for its fragrance and delicate aroma. It was first discovered in the “foothills of the Himalayas.” Basmati rice has a “perfumy, nutlike flavor and aroma that can be attributed to the fact that the grain is aged to decrease its moisture content.” HERBST, *supra* note 1, *available at* <http://web.foodnetwork.com/food/web/encyclopedia/termdetail/0,7770,280,00.html>. Basmati rice is now mostly

need to know that the ham that they are purchasing is really from Parma<sup>4</sup> or that the porcelain they own is a genuine “émaux de Limoges?”<sup>5</sup> These questions nestle at the center of one of the fiercest debates to take place in the World Trade Organization<sup>6</sup> (“WTO”) in the second decade of its existence. The heated discourse concerns the scope of the geographical indication. Specifically, is it necessary to have a globally accepted substantive law with respect to the protection of geographical indications? On one side, the United States and its supporters (“New World Members”)<sup>7</sup> maintain that the current regime provides sufficient protection for geographical indications.<sup>8</sup> On the other side, the

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grown in India and Pakistan. Basmati rice, Wikipedia, [http://en.wikipedia.org/wiki/Basmati\\_rice](http://en.wikipedia.org/wiki/Basmati_rice) (last visited Oct. 7, 2007).

<sup>4</sup> “A strongly flavored Italian cured ham, eaten uncooked and thinly sliced. ORIGIN named after the Italian city of *Parma*.” CONCISE OXFORD ENGLISH DICTIONARY, *supra* note 1. Parma hams are “seasoned, salt-cured (but not smoked) and air-dried.” They have a rosy brown flesh that is “firm and dense.” HERBST, *supra* note 1.

<sup>5</sup> Porcelain boxes are from the Limoges region of France. Limoges is famous for its 19th century porcelain. Limoges, Wikipedia, <http://en.wikipedia.org/wiki/Limoges> (last visited Oct. 7, 2007).

<sup>6</sup> The World Trade Organization came into being on January 1, 1995. It is an international organization designed to supervise and liberalize international trade, and is the successor to the General Agreement on Tariffs and Trade.

<sup>7</sup> Opponents of extension for geographical indications include Argentina, Australia, Canada, Chile, Ecuador, El Salvador, New Zealand, and the United States. See Council for Trade-Related Aspects of Intellectual Property Rights, *Joint Proposal for a Multilateral System of Notification and Registration of Geographical Indications for Wines and Spirits*, TN/IP/W/9 (Apr. 13, 2004), available at <http://www.wto.org> (click on “Documents”; scroll down and click “Documents Online search facility”; enter document number in “Document symbol” box in the “Simple Search”) (listing the countries opposing changes to the current legal regime governing international protection of geographical indications); see also World Trade Organization, *TRIPS: Geographical Indications—Background and the Current Situation*, Nov. 21, 2005, [http://www.wto.org/english/tratop\\_e/trips\\_e/gi\\_background\\_e.htm](http://www.wto.org/english/tratop_e/trips_e/gi_background_e.htm).

<sup>8</sup> A “joint proposal,” document TN/IP/W/10, has been put forward by the United States, Argentina, Australia, Canada, Chile, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, Japan, Mexico, New Zealand, and Chinese Taipei. See *infra* note 118. This group does not want to amend the TRIPs Agreement. Instead it proposes a decision by the TRIPs council to set up a voluntary system where notified geographical indications would be registered in a database. Those governments choosing to participate in the system would have to consult the database when taking decisions on protection in their own countries. Non-participating members would be “encouraged” but not obliged to consult the database. World Trade Organization, *TRIPS: Geographical Indications—Background and the Current Situation*, Nov. 21, 2005, [http://www.wto.org/english/tratop\\_e/trips\\_e/gi\\_background\\_e.htm](http://www.wto.org/english/tratop_e/trips_e/gi_background_e.htm); *infra* note 118.

European Union and its supporters (“Old World Members”<sup>9</sup> or “*Demandeurs*”<sup>10</sup>) are aggressively pushing for an extension<sup>11</sup> of the current law.<sup>12</sup>

The implementation of the Trade-Related Intellectual Property Rights Agreement<sup>13</sup> (“TRIPs”) by the WTO was a landmark event for international intellectual property law. The TRIPs Agreement imposes minimum standards upon Member states allowing signatories to provide greater protection for intellectual property

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<sup>9</sup> Supporters of extension for geographical indications include the European Union, Romania, Bulgaria, Thailand, Switzerland, Mauritius, Morocco, Jamaica, Sri Lanka, Kenya, Tunisia, Turkey, Madagascar, and India. World Trade Organization, *TRIPs: Geographical Indications—Background and the Current Situation*, Nov. 21, 2005, [http://www.wto.org/english/tratop\\_e/trips\\_e/gi\\_background\\_e.htm](http://www.wto.org/english/tratop_e/trips_e/gi_background_e.htm).

<sup>10</sup> “Lit. a. asker, applicant; (Law) Plaintiff.” CASSELL’S FRENCH ENGLISH DICTIONARY 105 (Wiley Publ’g 2002). The term is used by the World Trade Organization to refer to states who request things of other states. In this Note *Demandeurs* is the cumulative term used to identify countries who are demanding extension of the current international geographical indication framework. Throughout this Note the term *Demandeurs* will be used interchangeably with the term “Old World Members.”

<sup>11</sup> In this Note the term “extension” refers to amending TRIPs in accordance with the proposal set forth in the E.U. proposal document TN/IP/W/11. See *infra* note 12 for a synopsis of the E.U. proposal. The term “extension” will be used interchangeably with the term “enhancement.”

<sup>12</sup> The E.U. proposal, document TN/IP/W/11, circulated in June 2005, calls for the TRIPs Agreement to be amended (by adding an annex to article 23.4). The paper proposes that when a geographical indication is registered, this would establish a “rebuttable presumption” that the term is to be protected in other WTO members—except in a country that has lodged a reservation within a specified period of time (for example 18 months). A reservation would have to be on permitted grounds. These include when a term has become generic or when it does not fit the definition of a geographical indication. If it does not make a reservation, a country would not be able to refuse protection on these grounds after the term has been registered. Hong Kong, China has proposed a compromise document (TN/IP/W/8). Here a registered term would enjoy a more limited “presumption” than under the E.U. proposal, and only in those countries choosing to participate in the system. World Trade Organization, *TRIPs: Geographical Indications—Background and the Current Situation*, Nov. 21, 2005, [http://www.wto.org/english/tratop\\_e/trips\\_e/gi\\_background\\_e.htm](http://www.wto.org/english/tratop_e/trips_e/gi_background_e.htm). Documents TN/IP/W/11 and TN/IP/W/8 are available at <http://www.wto.org> (click on “Documents”; scroll down and click “Documents Online search facility”; enter document number in “Document symbol” box in the “Simple Search”); see also *supra* note 8.

<sup>13</sup> Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, LEGAL INSTRUMENTS-RESULTS OF THE URUGUAY ROUND, vol. 31, 33 I.L.M. 81(1994) [hereinafter TRIPs].

rights if they so choose.<sup>14</sup> The Agreement not only laid the foundation for an increase in global intellectual property protection, it simultaneously married intellectual property rights with free trade.<sup>15</sup> The most familiar intellectual property rights protected by TRIPs are copyrights, trademarks, and patents.<sup>16</sup> Importantly, TRIPs also included the geographical indication as a form of intellectual property. “Geographical indications are, for the purposes of this agreement, indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation, or other characteristic of the good is essentially attributable to its geographical origin.”<sup>17</sup> Hereinafter, goods covered by this article will be referred to as cultural goods/products. An example is basmati rice, which is renowned for its aromatic fragrance, slender grain, and which is traditionally grown in India or Pakistan.<sup>18</sup> In Europe, basmati rice has geographical indication protection ensuring that only rice that is produced in India and Pakistan with

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<sup>14</sup> See *id.* art. 1.

<sup>15</sup> See World Trade Organization, TRIPs: Preamble, [http://www.wto.org/english/tratop\\_e/trips\\_e/t\\_agm1\\_e.htm](http://www.wto.org/english/tratop_e/trips_e/t_agm1_e.htm) (last visited Nov. 24, 2007) (“Members, Desiring to reduce distortions and impediments to international trade, and taking into account the need to promote effective and adequate protection of intellectual property rights, and to ensure that measures and procedures to enforce intellectual property rights do not themselves become barriers to legitimate trade[.]”). *Id.* paras. a–e (embodying the Member states recognition of the need for rules and disciplines to achieve the goals of TRIPs as set forth in the preamble). In particular paragraph c recognizes the need for “the provision of effective and appropriate means for the enforcement of trade-related intellectual property rights, taking into account differences in national legal systems[.]” *Id.* para. c.; see also World Trade Organization, Understanding the WTO: The Agreements—Intellectual Property: Protection and Enforcement, [http://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/agrm7\\_e.htm](http://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm7_e.htm) (last visited Nov. 24, 2007) (stating that “the WTO’s Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs), 1986–1994, Uruguay Round, introduced intellectual property rights into the multilateral trading system for the first time”).

<sup>16</sup> Throughout this Note the term “intellectual property” shall be used to cover copyrights, trademark, and patents collectively. The author acknowledges that intellectual property includes trade secrets and some other branches of the law. However, those branches of the law are beyond the scope of this Note.

<sup>17</sup> TRIPs, *supra* note 13, art. 22.1.

<sup>18</sup> See *supra* note 3.

these identifying characteristics can be labeled basmati rice.<sup>19</sup> In stark contrast, basmati rice does not receive geographical indication protection in the United States.<sup>20</sup> This means that in the United States any manufacturer or producer of rice can use the appellation basmati to label its rice.<sup>21</sup> The result is that the current TRIPs regime permits inconsistent<sup>22</sup> and discriminatory geographical indication protection among the WTO Member states.<sup>23</sup>

The case of basmati rice reveals that under the current international geographical indication regime important obligatory TRIPs mandates are not being met, as the law is far from uniform, thereby preventing equal market access.<sup>24</sup> The case of basmati rice

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<sup>19</sup> Council Regulation 510/2006, art. 1, 2006 O.J. (L 93) 13. This regulation protects geographical indications of origin for agricultural products and foodstuffs. The Regulation repeals and replaces (EEC) No. 2081/92; *see infra* note 122.

<sup>20</sup> *See* U.S. Patent No. 5,663,484 (filed July 8, 1994) (issued Sept. 2, 1997); *see also* Farhana Yamin, *Intellectual Property Rights, Biotechnology, and Food Security* 53, 63 (Institute of Development Studies, Working Paper No. 203, 2003), *available at* <http://www.ids.ac.uk/ids/bookshop/wp/wp203.pdf> (stating that “Texas based *Rice-Tec Inc.*, granted a patent on basmati rice lines and grains developed using Indian basmati rice and marketed under the ‘basmati’ name”); *see also* Letter from Donald S. Clark, Secretary, FTC, to Charlotte Arnold Christin, Esq., Joseph Mendelson, III, Esq., Andrew Kimbrell, Esq., (May 9, 2001), *available at* <http://www.ftc.gov/os/2001/05/riceletter.pdf> (responding to a letter challenging the advertising of U.S. grown rice as “basmati” or “jasmine,” where the FTC represent that basmati rice is “aromatic, rough rice” which is not limited to the rice grown in any one region). The FTC also represented that there was no evidence to suggest that U.S. grown rice is being represented as rice from other parts of the world.

<sup>21</sup> For example, Lundberg produces basmati rice that is made in the United States. More information about this manufacturer is available at <http://www.lundberg.com>.

<sup>22</sup> *See infra* notes 220–221.

<sup>23</sup> The current system is discriminatory because there is a two-tiered system of protection for geographical indications, one for wines and spirits and a weaker level of protection for other goods. The result is that countries with well known geographical indications such as basmati, have failed to secure “additional protection” under the TRIPs Agreement. Instead they are obliged to provide a higher level of protection for wines and spirits even while these very same indications are deemed “generic” or “semi-generic” in key markets such as the United States and Canada. Dwijen Rangnekar, *The Pros and Cons of Stronger Geographical Indication Protection*, School of Public Policy, 6 BRIDGES, March/April 2002, at 3, <http://www.ictsd.org/monthly/bridges/BRIDGES6-3.pdf>.

<sup>24</sup> One the main goals of TRIPs was to set into place uniform and fair international intellectual property laws for all WTO Members, with the twin goal of attempting to reduce distortions and impediments to international trade. *See* TRIPs preamble, *supra*

is also the quintessential case reflecting the consequences of failure to implement a globally accepted substantive law with respect to the protection of geographical indications.<sup>25</sup> Developing countries are forced to compete unfairly against wealthier developed nations whose agricultural products are often highly subsidized.<sup>26</sup>

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note 15. Basmati rice is an important source of income for Indian rice farmers and the current international geographical indication regime forces them to compete unfairly against more developed countries such as the United States. Enhancing the current international geographical indication regime would permit basmati rice farmers to enjoy the full economic benefits of the goodwill that has developed in their product. See generally Jolayemi Adewumi, *Trade & Environment Database Case Studies, Who Owns It?: US-India Basmati Rice Dispute In WTO* (1998), available at <http://www.american.edu/TED/basmati.htm>. India imports 45,000 tonnes of rice to the U.S. and this forms 10 percent of total basmati exports. The value of the basmati rice exports to the U.S. is approximately \$250 million dollars per annum. Rice is the cornerstone of food and culture in many countries, including India in Southeast Asia. See also DEPARTMENT OF AGRICULTURE AND COOPERATION, MINISTRY OF AGRICULTURE, GOVERNMENT OF INDIA, 2004 RICE PRODUCTION (2005), <http://agricoop.nic.in/Statatglnance2004/SecAdvEstFood.htm> (estimating that in 2004–05 India produced 73.29 tonnes of rice). See Felix Addor et al., Swiss Federal Institute, *Geographical Indications: Important Issues for Industrialized and Developing Countries*, THE IPTS REPORT (May 2003), <http://www.jrc.es/home/report/english/articles/vol74/ITP1E746.htm> (stating that “regrettably the protection of GIs at the international level is far from being adequate. Except in the case of wines and spirits, it is all too easy to misuse GIs. The case of basmati rice is perhaps the best illustration” (citing Watal (2001))).

<sup>25</sup> See Kunal Bose, *Commodities & Agriculture: India Sets up Rice Export Zone*, FIN. TIMES, Sept. 5, 2002, at 28.

<sup>26</sup> The United States current ceiling for trade subsidies to its farmers is currently \$17 billion per annum. Last year the United States only spent \$11 billion dollars despite its cap of \$22 billion. See *Global Trade Talks: Potsdam’s Price*, ECONOMIST, June 30, 2007 at 16 [hereinafter *Potsdam*]; see also Pedro Echeverria, *Letters to the Editor: Better Protection for Geographical Indications*, FIN. TIMES, July 5, 2004, at 10 (stating that extension of the current geographical indication regime is necessary for producers all over the world so that they can benefit from the globalization of trade: “Concretely, this means allowing basmati rice producers in India, Pakistan and Nepal to reap the fruits of the economic and social benefits of Basmati rice production. But today, on the contrary, they are constantly defending themselves against the abuse of the name of their product by American producers and others who are riding piggy back on the name and goodwill of basmati.”); see also, Eoin Callan, *US Accuses Doha Dissidents*, FIN. TIMES, Sept. 7, 2007, <http://www.ft.com/cms/s/0/fb1a834c-5cda-11dc-9cc9-0000779fd2ac.html> (discussing the obstacles to progress in the Doha round of negotiations: “The US is keen to push on with negotiations on the basis of draft agreements advanced by the World Trade Organization to open markets to farm and manufactured goods. But some WTO members argue that the proposed cuts that poorer nations are asked to make in industrial tariffs are far bigger than the concessions being asked of richer countries on agricultural

Developing countries do not have the budgetary means to subsidize their farmers to protect them from cheaper imports or the costs of more expensive exports.<sup>27</sup> As has happened with basmati rice in the United States,<sup>28</sup> products are mass produced and marketed absent their traditional or characteristic traits. Consequently, the poorer producers of genuine basmati rice are neither able to fully enjoy the benefits of the goodwill developed in their product, nor are they being given genuine opportunity to participate in enhanced market access.<sup>29</sup> Additionally, the consumer is misled as to the true quality and characteristics of the goods that are for sale.

The current situation is problematic for a plethora of reasons. First, one of the main goals of TRIPs was to set into place uniform and fair international intellectual property laws for all WTO Member states.<sup>30</sup> Second, when TRIPs was signed in 1994, the WTO Member states made a commitment to make positive efforts designed to ensure that developing countries,<sup>31</sup> and especially the

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products, thus undermining the aim of the Doha round to focus on farming as the issue of most concern to developing countries”).

<sup>27</sup> See *US Accuses Doha Dissidents*, *supra* note 26.

<sup>28</sup> This Note is concerned with the United States and its response to geographical indication enhancement. Accordingly, the discussion is primarily focused around the United States. This in no way suggests that other WTO Member States are free from criticism.

<sup>29</sup> See Echeverria, *supra* note 26 (Echeverria is a “producer of Antigua coffee from Guatemala and [is] President of Origin (organisation for an international geographical indications network, Brussels, Belgium”).

<sup>30</sup> See, e.g., TRIPs, *supra* note 13; TRIPs preamble, *supra* note 15; see also The World Trade Organization, Doha Ministerial Declaration of 14 November 2001, paras. 2, 3, 13, 15, WT/MIN(01)/DEC/1 [hereinafter DMD], available at <http://www.wto.org>. The Declaration builds upon work already undertaken in the WTO Agriculture Agreement. Negotiations concerning agriculture began in early 2000 under Article 20 of the WTO Agriculture Agreement. By November 2001, and the Doha Ministerial Conference, 121 governments had submitted a large number of negotiating proposals. The Declaration confirms and sets a timetable for the mandates developed by the Ministers to be implemented.

<sup>31</sup> “TRIPs allows developing countries to phase in intellectual property rights over a period of time and ultimately attempts to create a uniform standard of protection [for right holders from Member States,] without regard to the level of development or economic policies of a specific country.” Muria Kruger, *Harmonizing TRIPs and the CBD: A Proposal from India*, 10 MINN. J. GLOBAL TRADE 169, 170, 207 n.7 (citing INT’L INTELL. PROP. L. 278–79 (Anthony D’Amato & Doris Estelle Long eds. 1997) (referencing Jerome H. Reichman)). *The TRIPs Component of the GATTs Uruguay*

least developed among them, secure enhanced market access and secure a share in the growth of world trade.<sup>32</sup> Third, TRIPs applies to all nations that are party to the General Agreement on Trade and Tariffs [hereinafter GATT].<sup>33</sup> Consequently,

[d]eveloping countries, as members of the GATT, were forced to comply with the TRIPs Agreement because all members of the GATT must comply with its agreements. Developing countries cannot afford to sacrifice GATT membership in protest of a specific treaty because they need to belong to the

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*Round: Competitive Prospects for Intellectual Property Owners in an Integrated World Market*, 4 *FORDHAM INTELL. PROP. MEDIA & ENT. L.J.* 171, 212–13 (1993) (stating that “some industries in developing countries will be displaced temporarily while the country is getting its intellectual property protection up to TRIPs standards”).

<sup>32</sup> See DMD, *supra* note 30, para. 2.

<sup>33</sup> The table of contents of WORLD TRADE ORGANIZATION, *THE LEGAL TEXTS: THE RESULTS OF THE URUGUAY ROUND OF MULTILATERAL TRADE NEGOTIATIONS* (Cambridge Univ. Press 2000) is a daunting list of about 60 agreements, annexes, decisions and understandings. The Agreements fall into a simple structure within six main parts: an umbrella agreement, (The Agreement Establishing the WTO); agreements for each of the three broad areas of trade that the WTO covers (goods, services and intellectual property); dispute settlement; and reviews of government’ trade policies. The GATT Agreement falls under the umbrella Agreement Establishing the WTO, accordingly any members of the GATT Agreement at the time the Agreement Establishing the WTO was signed became members of the WTO. See World Trade Organization, *Legal Texts: The WTO Agreement, A Summary of the Final Act of the Uruguay Round*, [http://www.wto.org/english/docs\\_e/legal\\_e/ursum\\_e.htm](http://www.wto.org/english/docs_e/legal_e/ursum_e.htm) (last visited Nov. 24, 2007) (relevant portions under the headings “Introduction” and “Agreement Establishing the WTO”); see also World Trade Organization, *Understanding the WTO, Overview: A Navigational Guide*, [http://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/agrm1\\_e.htm](http://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm1_e.htm) (last visited Nov. 24, 2007) (under the heading “Six-part broad outline”). Members of the WTO are bound by the terms of the TRIPs Agreement. See also World Trade Organization, *GATT and the Goods Council*, [http://www.wto.org/english/tratop\\_e/gatt\\_e/gatt\\_e.htm](http://www.wto.org/english/tratop_e/gatt_e/gatt_e.htm) (last visited Oct. 18, 2007) (explaining the function of the GATT). The Agreement existed to break down barriers in international trade and has now been replaced by the World Trade Organization. JULIE E. COHEN ET AL., *COPYRIGHT IN A GLOBAL INFORMATION ECONOMY* 37 (2d ed. 2007) (“The Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPs Agreement or TRIPs) is one of a number of Agreements that comprise the Final Act of the 1994 Uruguay Round of multilateral trade negotiations under the auspices of GATT. This celebrated round of negotiations, which involved the majority of the trading nations of the world, commenced in 1986 and concluded in 1994. The Final Act created the World Trade Organization (WTO) to oversee its provisions.”).

GATT to reap the benefits of treaties which favor their countries.<sup>34</sup>

Moreover, in the case of geographical indications, the Council for TRIPs Ministerial Conference is required to keep under review the application of the provisions of TRIPs Article 24, which requires Member states to enter into continued negotiations aimed at increasing protection for individual geographical indications.<sup>35</sup> Finally, one of the goals of geographical indication protection is to prevent consumer confusion caused by deceptive trade practices,<sup>36</sup> which is akin to one of the goals of American trademark protection.<sup>37</sup> Failure to adequately protect any form of intellectual property should be anathema to any true *laissez faire* economy and tends to support arguments for enhanced protection.

#### A. Background: Past Negotiations

Despite geographical indication protection being placed on the TRIPs agenda since its inception, by the time of the Fourth Ministerial Conference in Doha, Qatar in 2001,<sup>38</sup> there was still no

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<sup>34</sup> Kruger, *supra* note 31, at 182–83; *see also* Andrew Charlton & Joseph Stiglitz, *The Doha Round is Missing the Point on Helping Poor Countries*, FIN. TIMES, Dec. 13, 2005, at 19 (discussing the inequality of bargaining powers between developing countries and the superpowers).

<sup>35</sup> *See* TRIPs, *supra* note 13, art. 24 (requiring the Council for TRIPs to keep under review the application of the provisions in TRIPs art. 23 which address geographical indication protection for wines and spirits). The WTO Ministerial Conference is required to meet at least every two years and is the organization's top most decision making body, *see* World Trade Organization, WTO News—2001 News Items, *Mexico offers to host next Ministerial Conference*, Nov. 30, 2001, [http://www.wto.org/english/news\\_e/news01\\_e/mexico\\_min\\_conf\\_e.htm](http://www.wto.org/english/news_e/news01_e/mexico_min_conf_e.htm).

<sup>36</sup> *See* TRIPs, *supra* note 13, art. 22.2(a) (Article 22(a) protection applies to all products, other than wines and spirits, and protects them against all uses that are misleading to the public).

<sup>37</sup> JANE C. GINSBURG ET AL., TRADEMARK AND UNFAIR COMPETITION LAW: CASES AND MATERIALS 47 (3d ed. 2001); *see* RESTATEMENT (THIRD) OF UNFAIR COMPETITION §1(a) (2) (stating in pertinent part that, "One who causes harm to the commercial relations of another by engaging in a business or trade is not subject to liability to the other for such harm unless: (a) the harm results from acts or practices of the actor actionable by the other under the rules of the Restatement relating to: . . . (2) infringement of trademarks and other indicia of identification . . .").

<sup>38</sup> World Trade Organization, The Fourth WTO Ministerial Conference, [http://www.wto.org/english/thewto\\_e/minist\\_e/min01\\_e/min01\\_e.htm](http://www.wto.org/english/thewto_e/minist_e/min01_e/min01_e.htm) (last visited Nov. 24, 2007).

agreement between the WTO Member states concerning the scope of geographical indication protection. The Doha negotiations resulted in the creation of the Doha Ministerial Declaration (“DMD”),<sup>39</sup> an agreement in which the WTO Member states renewed their commitment to the implementation of the current WTO multilateral trade agreements.<sup>40</sup> Thus, in signing the DMD the United States renewed its commitment to the goals of TRIPs and *ipso facto* entered into negotiations aimed at increasing protection for individual geographical indications under Article 23.<sup>41</sup> The DMD also recognized “the particular vulnerability of the least-developed countries and the special structural difficulties they face in the global economy.”<sup>42</sup> Moreover, the DMD memorialized the WTO Member States’ new agreement: a) to negotiate the establishment of a multilateral system of notification and registration of geographical indications for wines and spirits,<sup>43</sup> and b) to negotiate issues relating to the protection of geographical indications provided for products other than wines and spirits.<sup>44</sup> Additionally, the European Union requested the claw back of forty-one geographical indications that have become generic worldwide.<sup>45</sup> This would ensure that those products receive geographical indication protection under any new regime.

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<sup>39</sup> The Doha Ministerial Declaration was adopted on November 14, 2001. *See generally* DMD, *supra* notes 30 and 32.

<sup>40</sup> *See generally* DMD, *supra* notes 30 and 32 and TRIPs, *supra* note 13.

<sup>41</sup> *See* TRIPs, *supra* note 13, art. 24.1 (stating that “Members agree to enter into negotiations aimed at increasing the protection of individual geographical indications under Article 23”). Article 23 addresses geographical indication protection for wines and spirits. *See id.* art. 23.

<sup>42</sup> DMD, *supra* note 30, para. 3.

<sup>43</sup> *See* TRIPs, *supra* note 13, art. 23.1 (“Each Member shall provide the legal means for interested parties to prevent use of a geographical indication identifying wines for wines not originating in the place indicated by the geographical indication in question or identifying spirits for spirits not originating in the place indicated by the geographical indication in question, even where the true origin of the goods is indicated or the geographical indication is used in translation or accompanied by expressions such as ‘kind,’ ‘type,’ ‘style,’ ‘imitation,’ or the like.”).

<sup>44</sup> *See* TN/IP/W/11, *supra* note 12; *see also supra* note 11.

<sup>45</sup> For an exhaustive list of the forty-one goods, see Bruce A. Babcock & Roxanne Clemens, *Geographical Indications and Property Rights: Protecting Value-Added Agricultural Products*, MATRIC Briefing Paper 04-MBP 7 (2004), at 4, *available at* <http://www.card.iastate.edu/publications/DBS/PDFFiles/04mbp7.pdf> (citing European Commission data from 1994).

Importantly, the DMD also set a timeline for completing these mandates.<sup>46</sup> The Ministers established a two track approach. First, there were those issues, such as wines and spirits, for which there was an agreed negotiating mandate in the declaration.<sup>47</sup> It was agreed that the progress of these negotiations would be monitored at the Fifth Ministerial Conference in 2003,<sup>48</sup> with the ultimate goal of completing the negotiations no later than January 2005.<sup>49</sup> Second, there would be those implementation issues where there was no mandate to negotiate, but would be taken up as a matter of priority by the relevant WTO councils and committees.<sup>50</sup> These negotiations concerned products other than wines and spirits and the deadline set for completion of the negotiations was 2002.<sup>51</sup> However, by the time of the Fifth Ministerial conference in 2003, neither the negotiations concerning the establishment of a multilateral register for wines and spirits was complete nor had the WTO councils and committees met to report on the status of the negotiations for goods other than wines and spirits.<sup>52</sup>

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<sup>46</sup> See DMD, *supra* note 30, paras. 12, 46 (setting forth a timetable that the WTO Member States should follow to place the issue of the implementation of geographical indication protection before the WTO trade negotiations committee).

<sup>47</sup> See DMD, *supra* note 30, art. 12 (stating that “where we provide a specific negotiating mandate in this Declaration, the relevant implementation issues shall be addressed under that mandate”); see also, DMD *supra* note 30, art. 18 (stating that Member States “agree to negotiate the establishment of a multilateral system of notification and registration of geographical indications for wines and spirits by the Fifth Session of the Ministerial Conference”).

<sup>48</sup> The Fifth Ministerial Conference was held in Cancun, Mexico in 2003. World Trade Organization, The Fifth WTO Ministerial Conference, [http://www.wto.org/english/thewto\\_e/minist\\_e/min03\\_e/min03\\_e.htm](http://www.wto.org/english/thewto_e/minist_e/min03_e/min03_e.htm) (last visited Nov. 24, 2007); see also DMD, *supra* note 30, art. 45 (stating that “[t]he Fifth Session of the Ministerial Conference will take stock of progress in the negotiations, provide any necessary political guidance, and take decisions as necessary”).

<sup>49</sup> *Id.*

<sup>50</sup> *Id.* arts. 12, 46 (providing that these bodies were to report on their progress to the trade negotiations in 2002 for “appropriate action”).

<sup>51</sup> See *id.* art. 12.

<sup>52</sup> See World Trade Organization, Doha Development Agenda: Negotiations, Implementation, and Development, [http://www.wto.org/english/tratop\\_e/dda\\_e/dda\\_e.htm](http://www.wto.org/english/tratop_e/dda_e/dda_e.htm) (last visited Nov. 24, 2007) for a more in depth discussion concerning the timeline for the negotiations in accordance with the Doha Declaration.

The divergence was such that by the Sixth Ministerial Conference in Hong Kong,<sup>53</sup> in the 2005 round of negotiations, the best the parties could do was to agree to disagree and unofficially move the deadline forward to the end of 2006.<sup>54</sup> The latest Doha setback was a failed Ministerial summit in Potsdam in June 2007.<sup>55</sup> The ministers “failed once again to narrow their differences” concerning the scope of the international geographical indication in what has become an interminable round of negotiations.”<sup>56</sup> The Potsdam Ministerial Conference was a meeting expected to narrow differences but instead it widened them.<sup>57</sup> While previous summits broke down over agriculture,<sup>58</sup> this time the new fear of China was the prevalent issue.<sup>59</sup> “As a result, a new excuse to fail to agree was found.”<sup>60</sup>

It is notable that in other areas of international intellectual property law, protection for right holders has increased largely at

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<sup>53</sup> The Sixth Ministerial Conference was held in Hong Kong, China in 2005. World Trade Organization, The Sixth WTO Ministerial Conference, [http://www.wto.org/english/thewto\\_e/minist\\_e/min05\\_e/min05\\_e.htm](http://www.wto.org/english/thewto_e/minist_e/min05_e/min05_e.htm) (last visited Nov. 24, 2007).

<sup>54</sup> See TRIPs, *supra* note 13, art. 24 (stating that Members agree to continued negotiation of geographical indication legislation); see also INTERNATIONAL CENTRE FOR TRADE AND SUSTAINABLE DEVELOPMENT & INTERNATIONAL INSTITUTE FOR SUSTAINABLE DEVELOPMENT, DOHA ROUND BRIEFING SERIES 1, 19–23 (Nov. 2005), [http://www.ictsd.org/pubs/dohabriefings/Doha\\_Hong\\_Kong\\_Update.pdf](http://www.ictsd.org/pubs/dohabriefings/Doha_Hong_Kong_Update.pdf) [hereinafter ICTSD DOHA UPDATE].

<sup>55</sup> See Potsdam, *supra* note 26, at 16. For more detailed information concerning the Potsdam summit visit <http://www.wto.org>.

<sup>56</sup> *Trade Talks: Mangling Trade*, ECONOMIST, June 30, 2007, at 86 [hereinafter *Mangling Trade*].

<sup>57</sup> See Potsdam, *supra* note 26, at 16.

<sup>58</sup> *Mangling Trade*, *supra* note 56.

<sup>59</sup> See *id.* (noting that manufacturing rivals of China, such as Brazil and Argentina have complained about the goods that China has allegedly “dumped on the markets,” destroying industries).

<sup>60</sup> *Id.*; see also Potsdam, *supra* note 26 (discussing the Brazilian trade minister, Celso Amorim, leaving the Potsdam trade talks early as he was disappointed by the offer the United States made concerning agricultural subsidies. In return he offered “vacuous” cuts in industrial tariffs. The Indian trade minister, Kamal Nath, also left the Potsdam trade talks disgruntled); see also Alan Beattie & Eoin Callan, *US Accuses Doha Dissidents*, FIN. TIMES, Sept. 7, 2007, at 12 (quoting Christine Lagarde, the French economic minister stating that “she did not expect a global trade deal in the foreseeable future because the divisions among the WTO Members remained ‘too wide’”).

the behest of the United States<sup>61</sup> and the European Union.<sup>62</sup> In signing the TRIPs Agreement the United States committed itself to all of the TRIPs mandates including the long term objectives of correcting and preventing restrictions and distortions in the marketplace.<sup>63</sup> As one of the main proponents of TRIPs, instead of impeding extension of the existing geographical indication regime, the United States should view extension as an opportunity to show its genuine commitment to greater comity in the multilateral trading system.<sup>64</sup> Thirteen years after TRIPs was ratified two questions linger: 1) Why have the WTO Member states failed to reach an agreement concerning the scope of international geographical indication protection? 2) More specifically, why has the United States adopted an uncharacteristic posture in opposing heightened protection for geographical indications?<sup>65</sup>

### B. *The Debate*

“At the heart of the debate are a number of key issues: When a geographical indication is registered in the system, what legal effect, if any, would that need to have within member countries, if the multilateral register is to serve the purpose of facilitating

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<sup>61</sup> In the United States this phenomenon is evidenced by the implementation of treaties such as the Digital Millennium Copyright Act. The Treaty increases protection for copyright holders well beyond that required for TRIPs compliance. Furthermore the United States and the European Union have extensive bi-lateral treaty programs that link heightened intellectual property to trade concessions.

<sup>62</sup> See FARHANA YAMIN, FOUNDATION FOR INTERNATIONAL ENVIRONMENTAL LAW AND DEVELOPMENT, GLOBALISATION AND THE INTERNATIONAL GOVERNANCE OF MODERN BIOTECHNOLOGY, IPR'S, BIOTECHNOLOGY AND FOOD SECURITY 44, <http://www.gapresearch.org/governance/FYIPRsfinal.pdf> (last visited Oct. 19, 2007) (discussing bilateral investment treaties concluded by the EU and the U.S., including explicit requirements to allow patenting of plants and animals and provision for enforcement of IPRs at the “highest international standards”).

<sup>63</sup> See DMD, *supra* note 30, art. 13.

<sup>64</sup> See Doris Estelle Long, “Democratizing” Globalization: Practicing the Policies of Cultural Inclusion, 10 CARDOZO J. INT’L & COMP. L. 217, 224 (2002) (noting that there has been a history of economic, political and cultural imperialism that has led to a power imbalance).

<sup>65</sup> See “joint proposal,” document TN/IP/W/10 from the U.S. proposing a voluntary system where notified geographical indications would be registered in a database, available at <http://www.wto.org> (search engine “legal documents”); see also *supra* note 8; *infra* note 118.

protection?”<sup>66</sup> Would the financial and administrative costs for individual governments outweigh the benefits of implementation of enhanced protection?<sup>67</sup> What would be the effect, if any, of countries who opted not to participate in the system?<sup>68</sup> To date, these questions remain unanswered and the timeline for completing the negotiations is unclear.

Consequently, attempting to define the scope of geographical indication protection in the international intellectual property arena<sup>69</sup> has caused a huge schism between traditional allies and united former opponents.<sup>70</sup> The European Union maintains that extension of the current regime will particularly benefit developing countries.<sup>71</sup> Interestingly, many developing countries do not support the European Union’s push for extension.<sup>72</sup> In fact, many WTO Member states have adopted unconventional positions in this hotly contested and salient debate creating unusual bed-fellows.<sup>73</sup> The result is that there are developing countries supporting both the European Union arguments for extension and the United States arguments against extension.

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<sup>66</sup> World Trade Organization, *TRIPS: Geographical Indications—Background and the Current Situation*, Nov. 21, 2005, [http://www.wto.org/english/tratop\\_e/trips\\_e/gi\\_background\\_e.htm](http://www.wto.org/english/tratop_e/trips_e/gi_background_e.htm).

<sup>67</sup> *Id.*

<sup>68</sup> *Id.*

<sup>69</sup> Originally, geographical indications were protected in accordance with national laws developed locally. As the law was national it was limited in effect to the state territory. It quickly became apparent, once commerce expanded in the 19th century, that national protection was not sufficient as products were imitated outside of their country of origin, World Intellectual Property Organization, International Symposium on Geographical Indications. International Symposium on Geographical Indications, Beijing, June 26–28 2007, at 4, available at [http://www.wipo.int/edocs/mdocs/geoint/en/wipo\\_geo\\_bei\\_07/wipo\\_geo\\_bei\\_07\\_www\\_81780.doc](http://www.wipo.int/edocs/mdocs/geoint/en/wipo_geo_bei_07/wipo_geo_bei_07_www_81780.doc) [hereinafter Beijing Symposium].

<sup>70</sup> Typically the United States and the European Union have similar agricultural agendas and face challenges to their agricultural policies from developing countries. In the geographical indication debate the United States and the European Union are deeply divided. See, e.g., Rangnekar, *supra* note 23, at 2 (pointing out “that the current GI debate cuts across the traditional North South divide on IPRs and is equally reflective of a divide between the ‘new world’ and the ‘old world’”).

<sup>71</sup> See TN/IP/W/11, *supra* note 12, at 2.

<sup>72</sup> See World Trade Organization, *TRIPS: Geographical Indications—Background and the Current Situation*, Nov. 21, 2005, [http://www.wto.org/english/tratop\\_e/trips\\_e/gi\\_background\\_e.htm](http://www.wto.org/english/tratop_e/trips_e/gi_background_e.htm) (listing countries opposed to extension).

<sup>73</sup> See *supra*, notes 7–9 (listing countries for and against extension of the current geographical indication regime).

### C. *A Step in the Right Direction*

Despite continued uncertainty concerning the scope of geographical indication protection, there are indications that greater comity is possible. In December 2006, the Congress of the United States approved legislation implementing a United States Wine Agreement bill (“Wine Agreement”) with the European Union.<sup>74</sup> The Wine Agreement prohibits the use of seventeen semi-generic wine names including Chablis<sup>75</sup> and Champagne on new United States labels while grandfathering such use for existing trademarked labels. This means that henceforth, an American wine producer will be prohibited from using a new trademark with the name Champagne in the United States market. This change to the law passed virtually unnoticed by many. However, the amendment to the bill is a small step in the right direction towards compliance with TRIPs and the DMD. More importantly, the practical effect of the bill is to provide the equivalent of geographical indication protection to these seventeen semi-generic wines that it was enacted to protect. It is also a significant sign that greater uniformity and equality is a real possibility within the current gargantuan multilateral trading system. However, this bill does not concern cultural goods other than wines. Thus, there is still a lacuna concerning adequate geographical indication protection for other cultural products. Moreover, TRIPs Articles 24.1(1) and 24.2(2) mandate that negotiations concerning increasing protection for extension of geographical indications must be continued by all of the WTO member states.<sup>76</sup>

Against this backdrop, the debate concerning extension of the current international geographical indication regime continues to

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<sup>74</sup> 26 U.S.C.A. § 5388 (2006); *see also Congress Approves Wine Agreement Bill With Exceptions*, INSIDE U.S. TRADE, Sec. 50, Dec. 15, 2006, available at 2006 WLNR 21817650.

<sup>75</sup> “A dry, white burgundy wine from Chablis in eastern France.” CONCISE OXFORD ENGLISH DICTIONARY, *supra* note 1. The wine belongs to the Chardonnay family of wines considered to be more acidic and less fruity than other Chardonnays. The appellation Chablis was created in 1944. *See* Chablis, Wikipedia, <http://www.wikipedia.org/wiki/chablis> (last visited Oct. 7, 2007).

<sup>76</sup> TRIPs, *supra* note 13, art. 24.1. TRIPs Article 24 states: “Members agree to enter into negotiations aimed at increasing the protection of individual geographical indications under Article 23.” *See also id.* arts. 23.4, 24.2.

rage. To date there is still no consensus between the European Union and the United States concerning the European Union's proposal for the establishment of a multilateral register, and extension of geographical indication protection to goods other than wines and spirits. Neither is there any agreement concerning the claw back of geographical indications that have become generic worldwide.

#### *D. Dissecting the Debate and Moving Forwards*

This Note will examine some of the reasons for the divide between historical allies. The answer is partially nestled in the fact that this debate is as much about free and transparent trade<sup>77</sup> as it is about cultural preservation. While the impregnable link between trade and intellectual property rights has unquestionably been forged,<sup>78</sup> there is a legal vacuum concerning the scope, if any, of the possible link between intellectual property rights and culture. Therein rests the paradox of the international geographical indication: What exactly is the nexus between trade and culture? Are international intellectual property laws the appropriate mechanism to safeguard culture? As the whirlwind of globalization intensifies, countries are melded into a homogenous commercial network, ensuring that the debate surrounding the regulation of the relationship between culture and trade is set to intensify. The phenomena of globalization and harmonization with the resultant byproduct of homogenization are certainly not new concepts. Rather, the crux of the matter is the reaction to extension of geographical indication protection as it is indicative of a larger problem concerning adequate international protection for right holders. Without effective and fair participation of all WTO Member states, harmonization of intellectual property laws will transmogrify into a tool of oppression rather than progression.<sup>79</sup>

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<sup>77</sup> See Addor et al., *supra* note 24 (discussing the way that extension of the current geographical indication regime supports transparency).

<sup>78</sup> This is exemplified by the TRIPs Agreement, *supra* note 13.

<sup>79</sup> Vandana Shiva, Director of the Research Foundation for Science and Ecology in New Delhi, India views the TRIPs Agreement "as a continuation of over 500 years of colonialism of developing countries." Kruger, *supra* note 31, at 171 (citing VANDANA SHIVA, *BIOPIRACY: THE PLUNDER OF NATURE AND KNOWLEDGE*, 11–16 (1997)). Vandana Shiva argues that developed countries create "intellectual property protection laws that

Part One of this Note sets forth the current law concerning geographical indications in accordance with TRIPs obligations and critiques the current law. Part Two examines reasons for the schism between the United States and the European Union concerning enhanced protection for geographical indications. Part Three takes a close look at the arguments for and against enhanced protection for geographical indications. The chapter explores the similarities between the goals of the United States trademark system and those of enhanced geographical indication protection. Part Four considers whether this debate is otiose or if the international community can actually derive tangible benefits from enhanced protection of geographical indications.

In conclusion, three arguments are presented. First, intellectual property is an item of global trade.<sup>80</sup> Accordingly, right holders of cultural products must have a predictable level of protection for their goods as failure to do so distorts the flow of trade and undermines the benefits flowing from the TRIPs Agreement.<sup>81</sup> Enhanced geographical indication protection is a means to achieve this goal by ensuring mutual reciprocity in the level of protection between Member States.<sup>82</sup> Moreover, in light of the similarities

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drain wealth and resources from third world countries and transfer it back to developed countries." *See id.* at n.11; *see also* Martin Wolf, *Trade Talks Need a Little Intelligent Discrimination*, FIN. TIMES, July 14, 2004, at 19; Long, *supra* note 64, at 256 (arguing that even the appearance of coercion should be avoided if harmonization is to achieve the goals of transparency and accord with the critical development of effective universal standards).

<sup>80</sup> *See* COHEN ET AL., *supra* note 33, at 37 ("The TRIPs Agreement is premised on the position, advanced primarily by the U.S., that intellectual property protection is a trade issue. According to this view, in a global economy increasingly characterized by trade in information goods, the failure to protect intellectual property rights distorts the flow of trade and undermines the welfare benefits flowing from the GATT system.").

<sup>81</sup> *See id.* The preamble of the TRIPs Agreement clearly reflects that one of the overarching goals of TRIPs is "to reduce distortions and impediments to international trade . . . taking into account the need to promote effective and adequate protection of intellectual property rights . . ." TRIPs preamble, *supra* note 15; *see also* YAMIN, *supra* note 62, at 5 (pointing out that "harmonized standards of IPRs have been agreed at a global level chiefly through TRIPs. . . [but] that for low income countries, the costs of strengthening IPRs may well outweigh the gains. Moreover the gains that might accrue through increased technological inflows resulting from stronger IPRs are likely to be realized over the long term, while the costs will accrue immediately").

<sup>82</sup> *See* Beijing Symposium, *supra* note 69, at 4.

between the goals of the American trademark, certification mark<sup>83</sup> and collective mark,<sup>84</sup> the United States should not impede efforts to develop a globally accepted substantive law with respect to geographical indications. In fact, the United States must consider extension of the existing geographical indication regime as the logical next step in the bid for heightened global protection of intellectual property rights in this increasingly borderless trading arena. Second, it is imperative that WTO members from developing countries view enhanced protection for geographical indications positively and play an active role in defining its boundaries in furtherance of endogenous development in their countries. Third, as one of the main proponents of TRIPs, the United States' continued failure to reach a meaningful consensus concerning the scope of geographical indications calls into question the legitimacy of TRIPs and its twin goals of reducing distortions and impediments in international trade while taking into account the need to adequately protect intellectual property rights.<sup>85</sup>

#### REFLECTIONS

This debate is distinct from the typical debate concerning intellectual property rights as the source of the product is not an individual or an entity. The myopic focus on the sole author or inventor in traditional intellectual property law fails to protect

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<sup>83</sup> “The term ‘certification mark’ means any word, name, symbol, device or any combination thereof— (1) used by a person other than its owner, or (2) which its owner has a bona fide intention to permit a person other than the owner to use in commerce and files an application to register on the principal register established by this chapter, to certify regional or other origin, material, mode of manufacture, quality, accuracy or other characteristics of such person’s goods or services or that the work or labor on the goods or services was performed by members of a union or other organization.” 15 U.S.C. § 1127 (2005).

<sup>84</sup> “The term ‘collective mark’ means a trademark or service mark— (1) used by the members of a cooperative, an association, or other collective group or organization, or (2) which such cooperative, association or other collective group or organization has a bona fide intention to use in commerce and applies to register on the principal register established by this chapter, and includes marks indicating membership in a union, an association or other organization.” *Id.*

<sup>85</sup> See TRIPs preamble, *supra* note 15.

property that is co-owned.<sup>86</sup> A unique feature of the geographical indication is that the producer or manufacturer of the product is a collective, a group that has some unifying inherent characteristic, trait or quality that it is trying to protect.<sup>87</sup> This can be referred to as the cultural component. It must be conceded, *ab initio*, that there is an inherent difficulty in defining culture in a world in which its very definition is constantly evolving. This is evidenced by the fact that renowned international organizations such as the United Nations Educational, Scientific and Cultural Organization (“UNESCO”)<sup>88</sup> have struggled to find an adequate definition.<sup>89</sup> However, it is this cultural component that makes the topic of geographical indications unique—it is a tale about the struggle of the preservation of culture.

An example of the failure to recognize the bond between trade and culture can be found in the Neem<sup>90</sup> tree saga.<sup>91</sup>

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<sup>86</sup> See SUSAN SCAFIDI, WHO OWNS CULTURE? APPROPRIATION AND AUTHENTICITY IN AMERICAN LAW 20 (Rutgers University Press 2005).

<sup>87</sup> See Shalini Bhutani & Ashish Kothari, *The Biodiversity Rights of Developing Nations: A Perspective From India*, 32 GOLDEN GATE U. L. REV. 587, 602 (2002) (discussing how alien the concept of community control of resources is to the Western concept of property); see also SCAFIDI, *supra* note 86 (addressing the issue of co-ownership of intellectual property).

<sup>88</sup> A specialized agency of the United Nations established in 1945, formed to contribute to peace and security by promoting international collaboration through education, science and culture. United Nations Educational, Scientific and Cultural Organization, About UNESCO, <http://www.UNESCO.org> (last visited Nov. 24, 2007) (under the heading, “About UNESCO”).

<sup>89</sup> At the 1998 Stockholm Conference on Cultural Policies for Development a Plan of Action was adopted recommending, inter alia, the design and establishment of cultural policies in such a way that they become one of the key components of endogenous and sustainable development. The definition and scope of culture has been an ongoing negotiation until ratification of the Convention on the Protection and Promotion of the Diversity of Cultural Expressions in 2005. See INTERGOVERNMENTAL CONFERENCE ON CULTURAL POLICIES FOR DEVELOPMENT, ACTION PLAN ON CULTURAL POLICIES FOR DEVELOPMENT (1998), [http://www.unesco.org/culture/laws/stockholm/html\\_eng/actionpl1.shtml](http://www.unesco.org/culture/laws/stockholm/html_eng/actionpl1.shtml).

<sup>90</sup> “A tropical Old World tree which yields mahogany like wood, oil, medicinal products and insecticide. [*Azadirachta indica*.] ORIGIN C19: via Hindi from Sanskrit *nimba*.” CONCISE OXFORD ENGLISH DICTIONARY, *supra* note 1.

<sup>91</sup> The Neem tree literally means “[t]he free tree of India.” “Traditionally known as the ‘village pharmacy’ the Neem tree’s pesticidal and medicinal properties have been known and used for centuries in India.” Medically, it is an effective analgesic and it is also effective in controlling diabetes. The main active ingredient of Neem exhibits

The Neem tree, native to India, is used by the Indian people for a myriad of medicinal purposes. The bark has a compound which can be used to clean teeth, and the leaves and seeds have compounds which demonstrate anti-fungal, anti-septic, and anti-viral characteristics. Oils from the seeds have contraceptive properties, and the leaves and seeds also contain natural pesticides. . . . W.R. Grace, an agricultural chemical company based in Boca Raton, Florida, stabilized azadirachtin in water and patented both the stabilization process and the stabilized form of azadirachtin with the United States Patent Office. W.R. Grace never applied for a patent in India as India did not grant patents for agricultural products at that time. Shortly after the US patent was granted, a coalition of 200 different organizations and 35 states petitioned the United States Patent Office to invalidate the patent, calling it an act of 'intellectual and biological piracy.'<sup>92</sup>

The dispute arose because it was the knowledge of the people of India that alerted the [American] company of the tree's scientific uses.<sup>93</sup> Without their knowledge, the tree would have been an ordinary tree to W.R. Grace.<sup>94</sup> The effect of the patent was that India, despite ownership of the Neem tree, had no legal right to use and develop the tree for medicinal or creative purposes.<sup>95</sup> After six years of legally challenging the United States' acquisition of azadirachtin, India won a major victory when the Opposition Division of the European Patent Office revoked the patent granted to the United States Department of Agriculture and

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antifeedant insect repellent and insect sterilization properties. The oil from the tree is used as an organic fertilizer. Plasma Neem, The Power of Neem, <http://www.plasmaneem.com/about.htm> (last visited Oct. 7, 2007).

<sup>92</sup> Kruger, *supra* note 31, at 173–74.

<sup>93</sup> *Id.* at 174.

<sup>94</sup> *Id.* at 174.

<sup>95</sup> See Frederick Nzwili, *Multinationals Lose Exclusive Rights Over Neem Tree*, AFRICA NEWS, May 22, 2000.

W.R. Grace for a fungicide derived from the Neem tree.<sup>96</sup> “The Research Foundation and its partners in the Neem patent challenges felt confident in the case, since the Neem patents were ‘a clear case of piracy of indigenous people.’”<sup>97</sup> While this case was a victory for India, absent adequate protection for cultural products, cases like this will arise again.<sup>98</sup> Right holders of cultural products should not have to fight to protect their goods on a case-by-case basis, but rather through an integrated approach.<sup>99</sup> International geographical indication protection has the potential to protect against such acts of biopiracy.<sup>100</sup> Thus, it immediately becomes easier to understand how the geographical indication, for many, morphs into a cultural guardian. It is the cultural component of the geographical indication that gives birth to notions of authenticity, quality, belonging and attribution. In this Note the term “culture” includes traditional knowledge, skills, processes and ingredients<sup>101</sup> used to produce or manufacture a product.<sup>102</sup> The discomfort with the usurpation of a geographical indication is partially embedded in the concept that such an act constitutes theft of culture. Deciding who owns culture is a Herculean and, at times, uncomfortable task.

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<sup>96</sup> See *id.* (including protestors Vandana Shiva, head of Research Foundation for Science, Technology and Ecology (RFSTE); The International Federation of Organic Agriculture Movement (IFOAM); Magda Alvoet, Environmental Minister of Belgium and a former Green Member of the European Parliament).

<sup>97</sup> *Id.*

<sup>98</sup> Adewumi, *supra* note 24. In an earlier case the U.S. government had granted a patent to two Indian-born scientists on the use of “Turmeric” as a wound-healing agent. Scientists from the Council for Scientific and Industrial Research challenged the patent on the ground that the healing properties of Turmeric had been “common knowledge” in India for centuries and was thus not a new invention.

<sup>99</sup> Kruger, *supra* note 31, at 175.

<sup>100</sup> “‘Biopiracy’ n. *derogatory* bioprospecting, regarded as a form of exploitation for developing countries.” CONCISE OXFORD ENGLISH DICTIONARY, *supra* note 1, at 136.

<sup>101</sup> For example the aboriginal didgeridoo must be made with authentic aboriginal designs and special materials in order for the instrument to be considered authentic. See *also infra* note 284.

<sup>102</sup> Most of the products discussed in this Note are foodstuffs but many other cultural products are protected as geographical indications. For example, Ordinance on the Use of the Designation “Swiss” for Watches of December 23, 1971 as last amended on March 29, 1995 (Status as at July 1, 1995), available at <http://www.wipo.int/clea/en/fiche.jsp?uid=ch099> (the Swiss legislation is officially published in Recueil Officiel 1971.1915, RO 1995.1218); see also Beijing Symposium, *supra* note 69, at 4.

Geographical indications gnaw at the Achilles heel of international legislation governing intellectual property rights—the inability to avoid protectionism and to legislate to protect the multiple and varying interests of all WTO member countries fairly.

### I. THE CURRENT LEGAL LANDSCAPE

The concept of a geographical indication is not a novel one. Geographical indications were protected as far back as the Roman Empire. “Early evidence in the 12<sup>th</sup> century of the use of [indications of geographic origin] and seals of quality exist in the form of indications of city-origin by tapestry manufacturers from central Europe and clothiers in England.”<sup>103</sup> Geographical indications were first formally protected in the Paris Convention for the Protection of Industrial Property (1883).<sup>104</sup> Additionally, two earlier WIPO-based treaties enshrined similar concepts. The Madrid Agreement (1891)<sup>105</sup> recognized “indications of source” and the Lisbon Agreement (1958)<sup>106</sup> recognized “appellations of origin.” Critics of these agreements alleged that “the separation of ‘indications of source’ and ‘appellations of origin’ was a false dichotomy and that a narrow focus on denominations that were

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<sup>103</sup> DWIJEN RANGNEKAR, ISSUE PAPER NO. 4, UNCTAD, ICTSD PROJECT ON IPR’S AND SUSTAINABLE DEVELOPMENT, A REVIEW OF PROPOSALS AT THE TRIPS COUNCIL: EXTENDING ARTICLE 23 TO PRODUCTS OTHER THAN WINES AND SPIRITS 11, (2003), [http://www.ictsd.org/pubs/ictsd\\_series/iprs/CS\\_rangnekar.pdf](http://www.ictsd.org/pubs/ictsd_series/iprs/CS_rangnekar.pdf) [hereinafter ICTSD project].

<sup>104</sup> Paris Convention for the Protection of Industrial Property, Mar. 20, 1883, as last revised July 14, 1967, 21 U.S.T. 1583, 828 U.N.T.S. 305, available at <http://www.wipo.org>. The Convention is one of the first international intellectual property treaties. It is currently administered by the World Intellectual Property Organization and has 171 contracting member countries. *Id.*

<sup>105</sup> Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods, Apr. 14, 1891, revised Oct. 31, 1958, 828 U.N.T.S. 389. The agreement is currently administered by the World Intellectual Property Organization. *Id.*

<sup>106</sup> Lisbon Agreement for the Protection of Appellations of Origin and their International Registration, Oct. 31, 1958, as last revised Jan. 1, 1994, 923 U.N.T.S. 205, available at <http://www.wipo.org>. This Agreement is administered by the International Bureau of the World Intellectual Property Organization. *Id.*

'direct geographical names' was biased against other denominations."<sup>107</sup>

The signature of TRIPs enhanced the international regulatory framework for geographical indications. For the first time, there was consensus amongst the WTO members on a definition for geographical indications and an international dispute settlement mechanism.<sup>108</sup> Consequently, the current definition is broader than its predecessors. Article 22.1 describes geographical indications 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."<sup>109</sup> This definition is broad enough to cover indications that derive their name directly from a geographic region such as Champagne and indications that are not direct geographic names such as basmati rice. The definition also encapsulates reputation exceeding the narrower definition in the Lisbon Agreement that was restricted to "quality and characteristics." While the TRIPs definition for a geographical indication is much broader, it mandates a two-tiered model of regulation. All products are covered by Article 22, which defines a standard level of protection. Article 22.2(a) mandates that geographical indications have to be protected in order to avoid misleading the public.<sup>110</sup> Article 22.2(b) is aimed at protecting the interests of producers against acts of unfair competition.<sup>111</sup> Article 23 provides a higher or enhanced level of protection for geographical indications for wines and spirits, subject to a number

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<sup>107</sup> Rangnekar, *supra* note 23, at 1.

<sup>108</sup> World Trade Organization, Understanding the WTO: Settling Disputes, [http://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/disp1\\_e.htm](http://www.wto.org/english/thewto_e/whatis_e/tif_e/disp1_e.htm) (last visited Oct. 15, 2007). The WTO Dispute Settlement Body is the mechanism used to handle disputes between World Trade Organization Member States. The DSB establishes panels to hear disputes and issues rulings and recommendations. Failure to comply with the DSB's ruling may lead to suspension of concessions or other trade privileges by the aggrieved Member State. *Id.*

<sup>109</sup> TRIPs, *supra* note 13, art. 22.1.

<sup>110</sup> *Id.* art. 22.2(a).

<sup>111</sup> *Id.* art. 22.2(b).

of exceptions.<sup>112</sup> These goods have to be protected even if misuse would not cause the public to be misled. It is this two-tiered model of regulation that the European Union and its supporters are seeking to amend.

Article 22.2, which delineates the basic protection afforded to all products except wines and spirits, reads as follows:

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

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

(b) any use which constitutes an act of unfair competition within the meaning of article 10*bis* of the Paris Convention (1967).<sup>113</sup>

In order to prevent the incorrect use of a geographical indication under this section the party that considers itself wronged must furnish proof that the wrongful use of the geographical indication is misleading for the public or constitutes unfair competition. This results in different protection for the same geographical indication in different countries. In stark contrast, Article 23.1 simply prohibits the incorrect use of geographical indications and additionally prohibits the use of a corrective.<sup>114</sup> The practical result is that Article 23.1 sets forth a higher level of protection for wines and spirits. Article 23.1 reads as follows:

Each Member shall provide the legal means for interested parties to prevent use of the geographical

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<sup>112</sup> *Id.* art. 24, paras. 3–9. This section lists the circumstances under which a Member State is not required to enforce the TRIPs provisions concerning geographical indications. *Id.*

<sup>113</sup> *Id.* art. 22.2.

<sup>114</sup> *Id.* art. 23.1. A corrective would be the addition of a word such as “like,” “style” or “imitation” before the geographical indication to indicate that the product is not authentic (e.g., American style basmati rice). *See id.*

indication identifying wines for wines not originating in the place indicated by the geographical indication in question, even where the true origin of the goods is indicated or the geographical indication is used in translation or accompanied by expressions such as “kind,” “type,” “style,” “imitation” or the like.<sup>115</sup>

Accordingly, it is a violation of Article 23.1 to label a wine: “Bordeaux wine produced in Hong Kong.” The protection is automatic and objective. To make the distinction clear, as the law currently stands under article 22, designations such as Roquefort cheese, produced in Norway or Hereke carpets, made in the U.S.A. are currently permissible absent a showing of consumer deception or unfair competition.<sup>116</sup> It is this two-tiered level of protection that New World Members propose should be replaced. Instead, it is proposed that there would be one level of automatic and objective protection, identical to the protection afforded wines and spirits, for all geographical indications.<sup>117</sup>

The European Union’s bid for heightened protection has primarily emerged on two platforms. The first platform is that of international negotiation. At the Doha round of negotiations in 2005, two topics were placed on the negotiating table. The first topic concerned the establishment of a multilateral register for wines and spirits. The second topic concerned heightened protection for goods other than wines and spirits.<sup>118</sup> The European

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<sup>115</sup> *Id.* art. 23.1.

<sup>116</sup> See Addor et al., *supra* note 24.

<sup>117</sup> See E.U. proposal, *supra* note 12; see also TRIPs, *supra* note 13, art. 23; *supra* note 114 and accompanying text.

<sup>118</sup> See Special Session of the Council for Trade in Services, *Geographical Indications: Communication from the European Communities*, TN/IP/W/11 (June 14, 2005) (detailing the European Union’s proposal for extension), available at <http://www.wto.org> (search engine “legal documents”); Special Session of the Council for Trade in Services, *Proposed Draft TRIPs Council Decision on the Establishment of a Multilateral System of Notification and Registration of Geographical Indications for Wines and Spirits*, TN/IP/W/10 (Apr. 1, 2005) (detailing a joint proposal for limited extension by the New World Members), available at <http://www.wto.org> (search engine “legal documents”); Special Session of the Council for Trade in Services, *Multilateral System of Notification and Registration of Geographical Indications Under Article 23.4 of the TRIPs Agreement*, TN/IP/W/8 (Apr. 23, 2003), available at <http://www.wto.org> (search engine

Union presented three proposals to support its goal of heightened protection for geographical indications: 1) The establishment of a multilateral register of geographical indications<sup>119</sup>; 2) The extension of the protection for wines and spirits to other products; and 3) The claw-back of certain European geographical indications whose names have become generic worldwide.<sup>120</sup>

The second platform is that of international litigation. The United States and Australia requested that a WTO dispute settlement panel be established to hear their claims against the European Union concerning its discriminatory treatment of foreign right holders.<sup>121</sup> The case challenged a 1992 European Union system under which more than 600 European products were registered for protection to ensure “quality.”<sup>122</sup> The challenge involved the registering in Europe of foreign agricultural products with regional names like Idaho potatoes.<sup>123</sup> The United States

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“legal documents”) (detailing a proposal presented by Hong Kong, China, containing a compromise between the demands of Old World Members and the New World Members).

<sup>119</sup> Specifically Members would establish a multilateral system of notification and registration, consisting of a searchable database of all GIs for wines and spirits. Currently, national offices do not have any single place to look for information about which items are recognized in other countries as GIs. Joint Proposal For A Multilateral System Of Notifications And Registration of Geographical Indications For Wines And Spirits, TN/IP/W/9, at 2–3, available at <http://www.wto.org> (click on “Documents”; run search in “Official documents”; click on simple search and enter document number in the “Document symbol” box).

<sup>120</sup> Currently the European Union has cleared a short list of forty-one regional products. Examples include Roquefort cheese and Beaujolais wine. See *supra* note 45.

<sup>121</sup> See Panel Report, Complaint by the United States, *European Communities—Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs*, WT/DS174/R (Mar. 15, 2005), available at <http://www.wto.org> (click on “Documents”; scroll down and click “Documents Online search facility”; enter document number in “Document symbol” box in the “Simple Search”); Panel Report, Complaint by Australia, *Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs*, WT/DS290/R (Mar. 15, 2005), available at <http://www.wto.org> (click on “Documents”; scroll down and click “Documents Online search facility”; enter document number in “Document symbol” box in the “Simple Search”).

<sup>122</sup> Council Regulation 2081/92, Protection of Geographical Indications and Designations of Origin of Agricultural Products and Foodstuffs, 1992 O.J. (L 208) 1 (EC), available at [http://www.wipo.int/clea/docs\\_new/en/gr/gr022en.html](http://www.wipo.int/clea/docs_new/en/gr/gr022en.html) (last visited Nov. 22, 2007).

<sup>123</sup> UNITED STATES PATENT AND TRADEMARK OFFICE, GEOGRAPHICAL INDICATION PROTECTION IN THE UNITED STATES, <http://www.uspto.gov/web/offices/dcom/olia/>

charged that the EU Regulation<sup>124</sup> discriminated against United States geographical indications and trademarks on two grounds: 1) discrimination against United States geographical indications in violation of the TRIPs mandate concerning national treatment;<sup>125</sup> and 2) failure to protect United States trademarks.<sup>126</sup> With respect to national treatment, “the United States was concerned that the Regulation imposed significant barriers to registration and protection” for non-European persons and non-European products.<sup>127</sup> For example, the Regulation permitted “producers of Parma ham in Italy” to restrain others from using the name of Parma or comparable names within the European market.<sup>128</sup> However, the Regulation would not permit United States “producers to do the same with respect to their products.”<sup>129</sup> Thus, the United States argued that the Regulation was not TRIPs compliant with respect to the protection of intellectual property

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globalip/pdf/gi\_system.pdf (last visited Oct. 16, 2007) (explaining the protections the U.S. affords to geographical indications). Idaho potatoes are potatoes that are grown in Idaho that receive protection under the United States certification mark regime. *Id.*

<sup>124</sup> Press Release, Office of the United States Trade Representative, United States Wins “Food Name” Case in WTO Against EU (Mar. 15, 2005), [http://www.ustr.gov/Document\\_Library/Press\\_Releases/2005/March/United\\_States\\_Wins\\_Food\\_Name\\_Case\\_in\\_WTO\\_Against\\_EU.html](http://www.ustr.gov/Document_Library/Press_Releases/2005/March/United_States_Wins_Food_Name_Case_in_WTO_Against_EU.html) [hereinafter USTR Press Release]; *see also* Council Regulation 2081/92, *supra* note 122.

<sup>125</sup> *See* TRIPs, *supra* note 13, art. 3.1 (addressing the national treatment principle as applicable to the TRIPs Agreement). Article 3 states that “[e]ach Member shall accord to the nationals of other Members treatment no less favorable than that it accords to its own nationals with regard to the protection of intellectual property, subject to the exceptions already provided. . .” TRIPs Agreement, *supra* note 13, Part I, General Provisions and Basic Principles. In the case of TRIPs this means that Member States must provide equal treatment to the relevant intellectual property right belonging to a national of another Member State. TRIPs Agreement, *supra* note 13, Part I, General Provisions and Basic Principles, article 1, 3. The panel found that the application procedures under the Regulation requiring non-E.C. nationals to file an application in the European Communities through their own government (but not directly with E.C. member states) for GI registration located in their own countries, provided for less favorable treatment to other nationals in violation of Article 3(1). *See* CLEARY GOTTLIEB EC TRADE REPORT, PANEL REPORT ON THE PROTECTION OF TRADEMARKS AND GEOGRAPHIC INDICATIONS FOR AGRICULTURAL PRODUCTS AND FOODSTUFFS 4 (Jan.–Mar. 2005), [http://www.cgsh.com/files/tbl\\_s47Details%5CFileUpload265%5C486%5CCGSH\\_CGSH\\_Trade\\_Report\\_1Q\\_05.pdf](http://www.cgsh.com/files/tbl_s47Details%5CFileUpload265%5C486%5CCGSH_CGSH_Trade_Report_1Q_05.pdf) [hereinafter CLEARY REPORT] (detailing the findings of the Panel).

<sup>126</sup> USTR Press Release, *supra* note 124.

<sup>127</sup> *Id.*

<sup>128</sup> *Id.*

<sup>129</sup> *Id.*

rights for non-European Union nationals and with respect to GATT<sup>130</sup> and treatment of non-European goods.<sup>131</sup> Second, “the United States was concerned that the . . . Regulation would” prevent trademark owners from enforcing their trademarks.<sup>132</sup> This is because a trademark owner “would not be able to stop the confusing uses of similar [geographical indications], which is one of their rights under the WTO TRIPS Agreement.”<sup>133</sup> The precise cause for concern “was the use of linguistic variations of [geographical indications], where those linguistic variations are confusingly similar to European trademarks of the [United States] companies and are used to market the European [geographical indication] product, causing consumer confusion.”<sup>134</sup> The WTO panel agreed with the United States, and determined that this would present concerns under the TRIPs Agreement.<sup>135</sup> Accordingly, the panel concluded that the geographical indication Regulation could only protect geographical indications as registered and not linguistic variations of the geographical indication.<sup>136</sup> This is an important principle for [United States] trademark owners.<sup>137</sup> This means, for example, that companies such as Anheuser-Busch, which owns valid trademarks for “Budweiser” and “Bud” in Europe, can stop confusing uses of translations or linguistic variations of [geographical indications].<sup>138</sup> While the WTO panel determined that significant components of the Regulation were TRIPs incompatible,<sup>139</sup> it determined that

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<sup>130</sup> *Id.* at 2; see also EC Trademarks and Geographical Indications, (DS174,290), Summary Of Key Panel Findings, available at <http://www.wto.org> (search term “DS174,290”) (“The Regulation was also found inconsistent with GATT Art. III:4.”); CLEARY REPORT, *supra* note 125, at 4–5 (“The Regulation was found to accord less favorable treatment to imported products inconsistently with GATT Art. III:4.”). See *supra* note 33 for a discussion about the function of GATT.

<sup>131</sup> USTR Press Release, *supra* note 124, at 2.

<sup>132</sup> *Id.* at 3.

<sup>133</sup> *Id.*

<sup>134</sup> *Id.*

<sup>135</sup> *Id.* Panel Report, WT/DS174/R, *supra* note 121; Panel Report, WT/DS290/R, *supra* note 121; see also CLEARY REPORT, *supra* note 125, at 4–5 & n.12.

<sup>136</sup> CLEARY REPORT, *supra* note 125, at 4–5.

<sup>137</sup> USTR Press Release, *supra* note 124.

<sup>138</sup> *Id.*

<sup>139</sup> The Panel found that the equivalence and reciprocity requirement was applicable only to undertakings established in Non-E.U. countries and as such was inconsistent with

other components were TRIPs compatible.<sup>140</sup> Accordingly, the final report issued by the WTO in March 2005 was seen as a victory for both sides.<sup>141</sup> The United States considered that the WTO had issued a clear ruling that the Regulation had discriminated against food producers in the United States.<sup>142</sup> Peter Allgeier, the acting U.S. Trade Representative, said: “The WTO issued a crystal clear ruling that agreed with our view that Europe failed to provide Americans fair access . . . .”<sup>143</sup> He went on to state that “[t]hese findings are important to the rights of U.S. companies protecting their trademarks in Europe.”<sup>144</sup> The European Union also interpreted the ruling positively. The European Union Trade Commissioner, Peter Mandelson, stated: “By confirming that geographical indications are both legal and compatible with existing trademark systems, this WTO decision will help the EU to ensure wider recognition of geographical indications and protection of regional and local product identities

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Article 3.1 because national treatment does not allow a WTO Member to require other Members to adopt particular standards or procedural rules as a condition for protecting their nation’s intellectual property. In addition the Panel found that the application procedures and the objection procedures, which provided only E.U. nationals with a direct means of applying for or objecting to GI’s, were also inconsistent with Article 3.1. Finally, requiring undertakings from non-E.U. countries to seek support or participation of their governments in various procedures which undertakings established in the E.U. did not need (under Article 10 or 12 of the Regulation) were also found to violate the national treatment principle. *See* Cleary Report, *supra* note 125, at 5.

<sup>140</sup> Regarding trademarks, the Panel found the Regulation to be technically inconsistent with TRIPs Article 16.1 with respect to the co-existence of GIs with prior trademarks. Nevertheless it found the Regulation to be justified by Article 17 of the same agreement (which allows Members to provide limited exceptions to the rights conferred by a trademark so long as such exceptions take account of the legitimate interests of the owner of the trademark). *Id.*

<sup>141</sup> *Id.* at 5; *see also* Posting of William New to Intellectual Property Watch, Both Sides Claim Victory in Geographical Indications Dispute, at 1, (Mar. 15, 2005, 9:44 GMT), *available at* <http://www.ip-watch.org/> (click on “Go to calendar of posts”; under the heading “IP policies” click on “Trademarks/Geographical Indications”); *see also* CLEARY REPORT, *supra* note 125, at 5 (“The United States greeted the decision because it confirmed that the EU’s GI’s regime violated WTO law. The EU also expressed satisfaction because the panel report upheld that the EU is entitled to have a GI system and ‘simply’ requires it to facilitate direct access to the system by undertakings established in third countries.”).

<sup>142</sup> *Id.*

<sup>143</sup> *Id.*

<sup>144</sup> *Id.*

which is one of our goals in the Doha Round of multilateral trade negotiations”.<sup>145</sup> Disappointingly, the WTO panel decision did not clarify the scope of geographical indications and did little to quell the strength of the regulatory disagreement.

## II. UNDERSTANDING THE SCHISM: A TALE OF TWO HISTORIES

The theoretical underpinnings of the American intellectual property system are principally utilitarian. Intellectual property law exists to provide a marketable right for creators and inventors of protected works, which in turn creates an incentive for production and dissemination of new products. Consequently, it is logical to justify granting a monopoly for a limited period of time to an inventor or creator of a product. This not only ensures that the inventor or creator has an incentive to create and produce, but also ensures that society has the opportunity to benefit from the work or product once it is released into the public domain.

In stark contrast, the European<sup>146</sup> justifications for intellectual property protection are grounded in the theory of *droit d’auteur*, where the right holder is considered to have a personal and inalienable connection to the product.<sup>147</sup> *Droit d’auteur* encompasses the right to prevent distortion, destruction and misattribution of a product.<sup>148</sup> Contrasting the different rationales underlying the intellectual property regimes in Europe and the United States, it is not surprising that the response to extension of the existing regime governing geographical indications is

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<sup>145</sup> *Id.*

<sup>146</sup> This refers primarily to Continental Europe. See COHEN ET AL., *supra* note 33, at 408.

<sup>147</sup> *Droit d’auteur* literally means “right of the author.” “‘Droit’ n.m. right, equity; law; right (to) claim, title, fee; due (tax), duty, customs duty.” CASSELL’S FRENCH ENGLISH DICTIONARY, *supra* note 10, at 123. “[A]uteur’ n.m. author, creator, maker; writer (of a book etc.); perpetrator, achiever, contriver, framer; composer, sculptor; informant, authority, droit d’auteur, royalty.” CASSELL’S FRENCH ENGLISH DICTIONARY, *supra* note 10, at 33. At its core is *droit moral*, the doctrine of “moral rights,” which provides an author with the following: 1) the right of integrity, 2) the right of paternity, 3) the right of disclosure and 4) the right of withdrawal, although the scope varies within legal regimes. Russell J. DaSilva, *Droit Moral and the Amoral Copyright: A Comparison of Artists’ Rights in France and the United States*, 28 BULL. COPYRIGHT SOC’Y 1, 3–5 (1980) (discussing *droit d’auteur* in France and the United States).

<sup>148</sup> *Id.*

divergent. It is for this reason that this debate has also been identified as one between the “New World” and the “Old World.”<sup>149</sup> Members of the old world justify their desire to recognize the link between region and product in the notion of *terroir*.<sup>150</sup> The concept of *terroir* lies at the heart of the nexus between trade and culture. James E. Wilson stated:

The true concept is not easily grasped but includes physical elements of the vineyard habitat—the vine, subsoil, siting, drainage and microclimate. Beyond the measurable ecosystem, there is an additional dimension—the spiritual aspect that recognizes the joys, the heartbreaks, the pride, the sweat and the frustrations of its history.<sup>151</sup>

“[G]eographical indications as a form of intellectual property challenge the law, culture and economic logic of American business, oriented as it is towards liberal economic theory based on individual ownership,” the antithesis of *terroir*.<sup>152</sup> However, even in American intellectual property law, one can detect strands of the notion that inventors or creators have certain natural rights in their works—an idea that is in large measure derived from the works of

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<sup>149</sup> See Felix Addor, *The Way Ahead – What Future for Geographical Indications?*, Parma, Italy, 27–29 June 2005, at 2, available at [http://www.wipo.int/export/sites/www/meetings/en/2005/geo\\_pmf/presentations/doc/wipo\\_geo\\_pmf\\_05\\_addor.doc](http://www.wipo.int/export/sites/www/meetings/en/2005/geo_pmf/presentations/doc/wipo_geo_pmf_05_addor.doc) (stating that “unlike in many other instances in the WTO, geographical indications are an issue where the dividing line among Members is not congruent with the North-South divide. Instead, it is rather a controversy between ‘emigrant’ countries (Europe, Africa and parts of Asia) and ‘immigrant’ countries (USA, Australia and Latin American countries.)”); see also Rangnekar, *supra* note 23, at 2; *supra* notes 7–9 and accompanying text.

<sup>150</sup> “[T]erroir’ n.m. soil, ground;gout de terroir, raciness (of style); native tang (of wine).” CASSELL’S FRENCH ENGLISH DICTIONARY, *supra* note 10, at 312. *Terroir* was originally a French term used in wine appreciation to denote the special characteristics of geography that bestowed individuality upon the wine, it can be loosely translated as the sum of effects that the natural environment has had upon the manufacture of the product. Terroir, Wikipedia, <http://en.wikipedia.org/wiki/Terroir> (last visited Nov. 12, 2007).

<sup>151</sup> JAMES E. WILSON, *TERROIR: THE ROLE OF GEOLOGY, CLIMATE, AND CULTURE IN THE MAKING OF FRENCH WINES* 55 (Stephanie Horner ed., University of California Press 1998).

<sup>152</sup> Elizabeth Barham, *Translating Terroir: The Global Challenge of French AOC Labeling*, 19 J. OF RURAL STUDIES 127, 129 (2003).

John Locke.<sup>153</sup> Moreover, the implementation of the Visual Artists Right Act of 1990 (“VARA”) is evidence that Congress is willing to legislate to protect natural rights in compliance with its international treaty obligations.<sup>154</sup> VARA was adopted to comply with Article 6*bis* of the Berne Convention.<sup>155</sup> VARA grants the author of a “work of visual art” the right of attribution and the right to prevent any intentional distortion, mutilation or other modification of the work that would be prejudicial to the artists’ reputation.<sup>156</sup> While the right is narrowly defined, it reflects Congress’s willingness to meander away from a strictly utilitarian framework when crafting new laws to protect right holders. In the realm of geographical indications the Wine Agreement bill was a small concession on the part of the United States to protect against the misattribution of goods.

A divergent history alone, however, is not enough to explain the schism between the Old World Members and the New World Members. For example, it does not explain why both have support from developing countries which have alternate rationales underpinning their intellectual property systems.<sup>157</sup> Countries such as India<sup>158</sup> and China<sup>159</sup> have both enacted legislation to provide

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<sup>153</sup> See JOHN LOCKE, TWO TREATISES OF GOVERNMENT 303–20 (Cambridge University Press 1960) (1698).

<sup>154</sup> 17 U.S.C. § 106A (2000).

<sup>155</sup> See Berne Convention for the Protection of Literary and Artistic Works, Sept. 9, 1886, as last revised Sept. 28, 1979, 828 U.N.T.S. 221; Edward J. Damich, *The Visual Artists Rights Act of 1990: Toward a Federal System of Moral Rights Protection for Visual Art*, 39 CATH. U. L. REV. 945, 945–46 (1990). The Berne Convention is one of the major international treaties that harmonize intellectual property laws. COHEN ET AL., *supra* note 33, at 35; TRADEMARK AND UNFAIR COMPETITION LAW, *supra* note 37, at 47. The United States acceded to the Berne Convention with the implementation of the Berne Convention Implementation Act of 1998. 100 Pub. L. No. 568, 102 Stat. 2853.

<sup>156</sup> 17 U.S.C. § 101 (2000).

<sup>157</sup> See *supra* notes 7 and 9 for a list of Old World Members and New World Members; see generally WILLIAM P. ALFORD, TO STEAL A BOOK IS AN ELEGANT OFFENSE 1–29 (Stanford University Press 1995) (discussing the underpinnings of Chinese copyright law).

<sup>158</sup> The Geographical Indications of Goods (Registration & Protection) Act, No. 48 of 1999, India Code (1999).

<sup>159</sup> Intellectual Property Protection in China, Provisions for the Protection of Products with Geographical Indications (promulgated by the General Administration of Quality Supervision, Inspection and Quarantine, May 16, 2005, effective July 15, 2005),

enhanced protection for geographical indications. The fact is that WTO members and their nationals are increasingly recognizing that geographical indications are valuable marketing tools and thus have commercial importance in the global economy.<sup>160</sup> There is also increasing recognition that the nexus between culture and trade is real and that the international community desires to develop a legal mechanism to preserve culture as globalization leads to increased homogeneity. This is exemplified by the ratification of the UNESCO Convention on Cultural Diversity (“CCD”) in October 2005.<sup>161</sup> The objective of the CCD is to ensure that culture, in the age of globalization, is not reduced to a commodity.<sup>162</sup> Notably, the United States was one of two countries who opposed adoption of the CCD.<sup>163</sup>

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available at [http://www.ipr.gov.cn/ipr/en/info/Article.jsp?a\\_no=2158&col\\_no=119&dir=200603](http://www.ipr.gov.cn/ipr/en/info/Article.jsp?a_no=2158&col_no=119&dir=200603).

<sup>160</sup> See Beijing Symposium, *supra* note 69, at 4 (stating that “over the past years more and more countries around the world have established *sui generis* systems of GI protection. . . over 13 countries in Asia (such as Mongolia, North Korea, Thailand and Vietnam among others) have established GI protection in the last 5 years. In the same line since 2000 over 12 countries from North and Latin America have adopted a *sui generis* system of GI protection”); Manuel Ruiz and Isabel Lapena, New Peruvian Law Protects Indigenous Peoples’ Collective Knowledge, available at <http://www.ictsd.org/monthly/bridges/BRIDGES.6-3.pdf>; see also ICTSD project, *supra* note 103, at 10; Communication from the Permanent Mission of Australia to the Members of the World Trade Organization Council for Trade-Related Aspects of Intellectual Property Rights, IP/C/W/211 (Oct. 19, 2000), at 3–4, available at <http://docsonline.wto.org> (follow “Simple Search” hyperlink; then enter “IP/C/W/211” in the “Document symbol” field and click the “Search” button; click the “E” hyperlink to download the file); *Focus on Geographical Indications at Meet*, THE TIMES OF INDIA, Jan. 23, 2002, available at 2002 WLNR 7364857.

<sup>161</sup> See Convention on the Protection and Promotion of the Diversity of Cultural Expressions, Oct. 20, 2005, available at <http://unesdoc.unesco.org/images/0014/001429/142919e.pdf> [hereinafter “CCD”]. On December 18, 2006 the UNESCO General Conference ratified the Convention on the Protection and Promotion of the Diversity of Cultural Expressions. On October 20, 2005, 148 countries approved its adoption while two countries, Israel and the United States, voted against and four countries abstained. The Convention entered into force in March 2007. Choike.org, In Depth: UNESCO Convention on Cultural Diversity, [http://www.choike.org/nuevo\\_eng/informes/2286.html](http://www.choike.org/nuevo_eng/informes/2286.html) (last visited Oct. 9, 2007) [hereinafter Choike].

<sup>162</sup> See United National Educational, Scientific and Cultural Organization, *Convention on the Protection and Promotion of the Diversity of Cultural Expressions*, CLT/CEI/DCE/2007/PI/32, at 5, <http://unesdoc.unesco.org/images/0014/001495/149502E.pdf> (adopted by the General Conference of UNESCO at its 33rd session in 2005); see also Michael Hahn, *A Clash of Cultures? The UNESCO Diversity Convention*

Ratification of the CCD is of ominous portent. It is a clear signal that cultural diversity and cultural preservation are considered to be fundamental human rights by many WTO members and their nationals. However, the CCD does not have the same powers of enforcement that TRIPs possesses through its Dispute Settlement Body (“DSB”).<sup>164</sup> If the DSB determines that a WTO Member state is not compliant with its TRIPs obligations the panel can impose sanctions against the offending state.<sup>165</sup> Accordingly, any meaningful form of extension of the current geographical indication regime must take place via the auspices of the TRIPs Agreement.

Neo-Marxists have often alleged that the devastation of local cultures is the product of a triumph of cultural hegemony;<sup>166</sup> it is this that *demandeurs* seek to prevent with the establishment of a

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*and International Trade Law*, 9 J. INT’L ECON. L. 515, 517–18 (discussing the concerns of some of the states who have expressed support for the CCD); Long, *supra* note 64, at 233 (“At the heart of present-day globalization is a fast food, fast information, consumer culture that seems largely based on the cultural icons of Western consumerism. CNN, McDonald’s, Mickey Mouse, and MTV have arguably become among the most potent icons of global consumer culture that has a homogenizing effect as local traditions are replaced by MTV, Hollywood movies and American-logoed clothing.” (internal citation omitted)).

<sup>163</sup> See Hahn, *supra* note 162, at 516; see also Choike, *supra* note 161.

<sup>164</sup> The DSB is the WTO’s dispute settlement mechanism. When WTO Member States have a dispute, the DSB reviews reports prepared by a panel comprised of three to five experts from different WTO Member States, who are usually chosen in consultation with the countries in dispute. The panelists examine the evidence and produce a report detailing which country is right or wrong. The panel’s report is then submitted to the DSB for approval and can only be rejected by consensus. The report becomes the DSB’s ruling or recommendation within sixty days unless there is a consensus to reject the report or if the report is appealed. A WTO Member States’ failure to comply with the recommendation in the final judgment can lead to the imposition of sanctions against it. World Trade Organization, Understanding the WTO: A Unique Contribution, [http://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/displ\\_e.htm](http://www.wto.org/english/thewto_e/whatis_e/tif_e/displ_e.htm) (last visited Oct. 14, 2007).

<sup>165</sup> *Id.*; see also Convention on Biological Diversity, Analysis Of Options For Implementing Disclosure Of Origin Requirements In Intellectual Property Applications—Submission By UNCTAD, March 2006, available at <http://www.cbd.int/doc/meetings/cop/cop-08/information/cop-08-inf-25-en.pdf> (“The TRIPs Agreement is the most appropriate treaty regime in which to adopt mandatory disclosure of origin requirements. . . . Particularly in light of the broad membership in the WTO and its existing dispute resolution procedures.”).

<sup>166</sup> Tomer Broude, *Taking “Trade and Culture” Seriously: Geographical Indications and Cultural Protection in WTO Law*, 26 U. PA. J. INT’L ECON. L. 623, 634 (2005).

legally binding multilateral register open to all products applicable all WTO Member States.<sup>167</sup> It is reasonable to conclude that in more established areas of intellectual property, right holders have accepted that protecting intellectual property is no longer just a domestic endeavor.<sup>168</sup> Moreover, as defined in TRIPs, geographical indications are an intellectual property right equal to trademarks, designs or patents. None of these rights discriminate among categories of products in granting effective protection.<sup>169</sup> As the quest for heightened protection for right holders advances, so too must the willingness of Member states to recognize the importance of protecting non-traditional intellectual property such as cultural products. Professor Susan Scafidi argues that intellectual property law should not allow unlimited appropriation of intangible goods, including cultural products, but rather protect them.<sup>170</sup> Scafidi suggests that intellectual property law could “provide the mechanism to balance the scales, to temper cultural contribution with cultural protection.”<sup>171</sup> The geographical indication, as defined in TRIPs, has the potential to fulfill that role.<sup>172</sup> Developing heightened geographical indication protection would show that the United States is genuinely committed to assisting emerging economies to benefit from the growth in world trade. Indeed, the quest for extension of protection for geographical indications internationally should be considered the natural and logical progression in the global ratcheting up of intellectual property standards.

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<sup>167</sup> See Beijing Symposium, *supra* note 69, at 5.

<sup>168</sup> This phenomenon is exemplified by the implementation of the TRIPs Agreement, and the frequent use of Free Trade Agreements (“FTAs”) by the international trading community. See Pedro Roffe & David Vivas-Eugui, *A Shift in Intellectual Property Policy in US FTAs?*, BRIDGES, Aug. 2007, at 15 (discussing U.S. FTAs and the fact that, since the Uruguay Round negotiations and the adoption of TRIPs, the U.S. has pursued expanded commitments in the area of intellectual property in more than fifteen Free Trade Agreements); YAMIN, *supra* note 62 (discussing U.S. and E.U. conclusion of bilateral investment treaties (“BITS”)).

<sup>169</sup> See Beijing Symposium, *supra* note 69, at 5.

<sup>170</sup> SCAFIDI, *supra* note 86, at 154.

<sup>171</sup> *Id.*

<sup>172</sup> See TRIPs, *supra* note 13, arts. 22–24.

### III. THE *CRI DE COEUR* FOR EXTENSION IS A GUISE FOR EUROPEAN TRADE PROTECTIONISM: APHORISM OR MYTH?<sup>173</sup>

New World Members consider extension of the existing regime tantamount to European trade protectionism.<sup>174</sup> In their view extension of the current regime governing geographical indications is unjustified,<sup>175</sup> and will not necessarily guarantee market access and opportunities for emerging industries.<sup>176</sup> It is their belief that extending the level of protection encapsulated in Article 23.1 to all geographical indications would require unwarranted government intervention which is inconsistent with the principle that intellectual property rights are private rights.<sup>177</sup> Moreover opponents are concerned that extension of the current regime will encourage monopolistic behavior.<sup>178</sup> So is the cry for extension really just about European protectionism or are there legitimate reasons to support the request?

The geographical indication and the trademark both protect source identifications and are also often indicators of quality. However, there are major differences between geographical indications and trademarks, namely the link with a region as opposed to an individual or entity. Trademarks can be sold,

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<sup>173</sup> “‘Cri de coeur,’ French, n. (pl. cris de coeur pronunc. same) a passionate appeal or complaint. ORIGIN Fr. ‘cry from the heart.’” CONCISE OXFORD ENGLISH DICTIONARY, *supra* note 1, at 337.

<sup>174</sup> See Scott Miller, *Europe Says, ‘That Cheese Is No Cheddar,’* WALL ST. J., Feb. 13, 2003, at B1 (“For New Worlders, the European idea is bald-faced protectionism. ‘This doesn’t speak about free trade; its [sic] about making a monopoly of trade,’ says Sergio Marichi, Canada’s ambassador to the W.T.O. ‘It’s hard to even calculate the cost and confusion of administering such a thing.’”); see also SABRINA LUCATELLI, APPELLATIONS OF ORIGIN AND GEOGRAPHICAL INDICATIONS IN OECD MEMBER COUNTRIES: ECONOMIC AND LEGAL IMPLICATIONS 19 (2000), [http://www.ictsd.org/issarea/ag/resources/docs/OECD\\_GI.pdf](http://www.ictsd.org/issarea/ag/resources/docs/OECD_GI.pdf) (discussing the risk of obstacles to market entry if the current regime is extended).

<sup>175</sup> Tegan Brink, *Geographical Indications: Prospects for the Development of the International Legal Framework*, at 6, June 26–28 2007, [http://www.wipo.int/edocs/mdocs/geoind/en/wipo\\_geo\\_bei\\_07/wipo\\_geo\\_bei\\_07\\_www\\_81778.pdf](http://www.wipo.int/edocs/mdocs/geoind/en/wipo_geo_bei_07/wipo_geo_bei_07_www_81778.pdf).

<sup>176</sup> *Id.* at 9.

<sup>177</sup> *Id.* at 22 (the national government would be required to assert and defend the geographical indication).

<sup>178</sup> See Addor et al., *supra* note 24; LUCATELLI, *supra* note 174, at 16 (discussing the potential risk of monopolistic cartels).

licensed or delocalized, a geographical indication cannot.<sup>179</sup> A trademark is an individual right; a geographical indication is available to any producer or manufacturer of the region or territory concerned.<sup>180</sup> In general trademark registration does not cover translation, nor does it prevent the use of the name with a corrective.<sup>181</sup> In stark contrast geographical indication protection covers the name, its translation in any language and the use of a corrective.<sup>182</sup> Additionally, in order for a trademark to remain in force it must be used in commerce.<sup>183</sup> However, the geographical indication gives indefinite protection regardless of the use of such product, and once it is registered it will never become generic.<sup>184</sup> These differences partially explain New World Members' reluctance to accept enhanced geographical indication protection. Nevertheless, both trademarks and geographical indications are deemed valuable business interests.<sup>185</sup> Thus, despite these differences it is no surprise that many of the justifications that support trademark law are analogous to the existence of geographical indications. Accordingly, developing substantive international legislation to protect geographical indications should not cause the United States such consternation.

One of the goals of trademark law is to protect against likelihood of confusion, mistake or deception about the source, affiliation or sponsorship of goods.<sup>186</sup> Accordingly, the underlying rationale for trademark protection is to prevent consumer confusion concerning the source of products and to lower

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<sup>179</sup> See *supra* note 45, at 4.

<sup>180</sup> *Id.*

<sup>181</sup> See Beijing Symposium, *supra* note 69, at 3.

<sup>182</sup> *Id.*

<sup>183</sup> *Id.*

<sup>184</sup> See *id.*

<sup>185</sup> See *id.* at 4 (referencing that countries recognize the need for a specific geographical indication protection system that coexists with trademark regimes).

<sup>186</sup> See 15 U.S.C. § 1114 (2000) ("Any person who shall, without the consent of the registrant— a) use in commerce any reproduction, counterfeit, copy or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive . . . shall be liable in a civil action by the registrant . . ."); see also GINSBURG ET AL., *supra* note 37, at 391.

consumer search costs.<sup>187</sup> Additionally, Section 43(a) of the Lanham Act protects against false or misleading statements of fact in commercial advertising or promotion.<sup>188</sup> The section provides further evidence that the moorings of trademark protection gravitate around preventing consumer confusion. Trademark infringement is also considered a form of unfair competition.<sup>189</sup> Thus it is fair to conclude that there is also business rationale couched in trademark protection. Finally, there is a producer incentive rationale justifying trademark protection;<sup>190</sup> if a producer invests in developing, advertising and selling a product, his investment should be protected.<sup>191</sup> The desire to protect the goodwill in a product is reflected in the Federal Trademark Dilution Act.<sup>192</sup> This statute protects the owner of a highly distinctive or famous mark against dilution by the blurring of its

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<sup>187</sup> See William M. Landes & Richard A. Posner, *Trademark Law: An Economic Perspective*, 30 J.L. & ECON. 265, 269–70 (1987).

<sup>188</sup> 15 U.S.C. § 1125 (2000) (governing federal trademark law but not all U.S. trademark law, since both common law and state law cover some aspects of trademark protection).

<sup>189</sup> GINSBURG ET AL., *supra* note 37, at 47; see RESTATEMENT (THIRD) OF UNFAIR COMPETITION §1(a) (2) (1995) (“One who causes harm to the commercial relations of another by engaging in a business or trade is not subject to liability to the other for such harm unless: (a) the harm results from acts or practices of the actor actionable by the other under the rules of the Restatement relating to: (2) infringement of trademarks and other indicia of identification.”).

<sup>190</sup> *Supra* notes 191–192.

<sup>191</sup> *Infra* note 192; see Trademark Dilution Revision Act of 2006, Pub. L. No. 109-312 (2006), § (2)(c) [hereinafter TDRA] (stating that “the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction against another person who, at any time after the owner’s mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury”); see also Beverly W. Pattishall, *Dawning Acceptance Of the Dilution Rationale For Trademark—Trade Identity Protection*, 74 TRADEMARK REP. 289 (1984) (“Dilution results when use of a mark by others generates awareness that the mark no longer signifies anything unique, singular or particular, but instead may (or does) denominate several varying items from varying sources. In short, when use of the same or similar marks by others has caused a mark to become less distinctive than before, it has been diluted.”).

<sup>192</sup> The Federal Trademark Dilution Act of 1995 was recently amended by the TDRA of 2006. See TDRA, *supra* note 191; 15 U.S.C. § 1051 (2000 & Supp. 2006). Some states also have dilution statutes. GINSBURG ET AL., *supra* note 37, at 47.

distinctiveness or the tarnishment of its image even if there is no likelihood of consumer confusion.<sup>193</sup>

The main contention of the New World members is that the freedom to compete,<sup>194</sup> which is a fundamental premise of the free enterprise system, will be impeded if extension of the existing geographical indication regime is implemented.<sup>195</sup> However, the aforementioned justifications for trademark law make it clear that, even within the free enterprise model, a party who engages in deceptive marketing or infringement of other indicia of identification should be held liable for any harm caused as a result of such practice.<sup>196</sup>

Indeed, it is reasonable to conclude that trademark law,<sup>197</sup> unfair competition law,<sup>198</sup> false advertising,<sup>199</sup> and the common law doctrine of passing-off<sup>200</sup> are all examples of legal mechanisms that have evolved within the American legal system to prevent free riding,<sup>201</sup> dilution<sup>202</sup> and deceptive or misleading trade practices.<sup>203</sup> Extension of the existing geographical indication regime seeks to protect cultural products from the same vices. Accordingly, a case can be made that this *cri de couer* requesting heightened geographical indication protection is about more than mere European protectionism.

#### A. Free Riding and Dilution: Effects on the Producer

The *demandeurs* maintain that the current protection for geographical indications for goods other than wine or spirits is

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<sup>193</sup> See TDRA, *supra* note 191, § (2)(c)

<sup>194</sup> “Freedom to compete is freedom to engage in business and to compete for the patronage of prospective customers, . . . it implies a right to induce prospective customers to do business with the actor rather than with the actor’s competitors.” GINSBURG ET AL., *supra* note 37, at 31–32.

<sup>195</sup> *Id.*

<sup>196</sup> RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 1 (1995).

<sup>197</sup> *Supra* note 188 and accompanying text.

<sup>198</sup> *Supra* note 189 and accompanying text.

<sup>199</sup> *Supra* notes 188 and 190 and accompanying text.

<sup>200</sup> See *infra* notes 236–237.

<sup>201</sup> See *supra* note 188–189.

<sup>202</sup> See *supra* notes 191–192.

<sup>203</sup> See *supra* 188–192.

ineffective. The rationale for extension is that, in its current form, Article 22 permits free riding and risks a geographical indication being rendered generic. This is exemplified by cases like basmati rice<sup>204</sup> and parmesan cheese, which are registered geographical indications in Europe, but are generic terms in the United States.<sup>205</sup> Extension of the geographical indication legislation would protect against such agpiracy, as all goods would be treated under the automatic and objective test set forth in Article 23.1. This would ensure that the geographical indication protection for the term ‘basmati’, its translation in any language and the use of the term with a corrective such as ‘American basmati’ would be prohibited.<sup>206</sup> Such is the case for wines and spirits.<sup>207</sup> Members opposing geographical indication extension suggest that the threat of geographical indications becoming generic is overstated and that “free and fair imitation of the product often enhances the intrinsic value (and premium) of the genuine [geographical indication].”<sup>208</sup> This line of reasoning would not be accepted to justify imitation products within another branch of intellectual property and there is no legitimate reason that it should be accepted for geographical indications.<sup>209</sup> However, this alone is not sufficient to rebuff claims of European protectionism. If it is accepted that the goals of trademark law are akin to those of geographical indication protection then the following arguments for extension can be made.

First, one of the cornerstones of trademark law is to prevent free riding on the goodwill of the reputation of the trademark owner.<sup>210</sup> This reflects a producer protection rationale. Society recognizes that when an individual or an entity has invested time, skill, labor and knowledge in developing a mark, that investment

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<sup>204</sup> See *supra* notes 18–20 and accompanying text; see also *infra* notes 211–217 and accompanying text.

<sup>205</sup> See *supra* notes 18–20 and accompanying text.

<sup>206</sup> See Beijing Symposium, *supra* note 69, at 3; see also TN/IP/W/11, *supra* note 12 (proposal from the E.U. concerning extension of geographical indication protection).

<sup>207</sup> See Beijing Symposium, *supra* note 69, at 3. See also *supra* notes 114–115 for more detailed information about use of a “corrective” concerning TRIPs geographical indication protection.

<sup>208</sup> ICTSD project, *supra* note 103, at 8 (quoting IP/C/W/289, at 5–6).

<sup>209</sup> ICTSD project, *supra* note 103, at 8–9 (citing IP/C/W/308/Rev.1, para. 18, at 5–6).

<sup>210</sup> *Supra* notes 184–185.

should be protected. In the same vein, a case can be made that preventing free riding on the reputation and quality of a product that has foreign geographical indication protection is socially desirable. The case of basmati rice is a pertinent example. The controversy was initiated by a 1997 grant of a United States patent to Rice Tec, Inc.,<sup>211</sup> on a variety of basmati rice and grains.<sup>212</sup> In essence, the patent stated that certain basmati plant and grain characteristics were not dependent on the growing environment.<sup>213</sup> “[W]ith the Basmati patent rights, RiceTec will . . . be able to not only call its aromatic rice Basmati within the U.S., but also label it Basmati for its exports.”<sup>214</sup> “This has grave repercussions for India . . . because . . . India [will] lose out on the 45,000 tonne U.S. import market, which forms 10% of the total Basmati exports . . . .”<sup>215</sup> In 2000, the Indian government challenged the patents on the grounds of inventiveness<sup>216</sup> and consequently, in 2001, the United States Patent and Trademark Office narrowed the

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<sup>211</sup> See Adewumi, *supra* note 24 (“RiceTec Inc, had been trying to enter the international Basmati market with brands like ‘Kasmati’ and ‘Texmati’ described as Basmati-type rice with minimal success.”).

<sup>212</sup> U.S. Patent No. 5,663,484 (filed July 8, 1994) (issued Sept. 2, 1997). The abstract states:

The invention relates to novel rice lines and to plants and grains of these lines and to a method for breeding these lines. The invention also relates to a novel means for determining the cooking and starch properties of rice grains and its use in identifying desirable rice lines. Specifically, one aspect of the invention relates to novel rice lines whose plants are semi-dwarf in stature, substantially photoperiod insensitive and high yielding, and produce rice grains having characteristics similar or superior to those of good quality basmati rice. Another aspect of the invention relates to novel rice grains produced from novel rice lines. The invention provides a method for breeding these novel lines. A third aspect of the invention relates to the finding that the “starch index” (SI) of a rice grain can predict the grain’s cooking and starch properties, to a method based thereon for identifying grains that can be cooked to the firmness of traditional basmati rice preparations, and to the use of this method in selecting desirable segregants in rice breeding programs.

*Id.* “In June 2000, India, supported by ActionAid, challenge [the] *RiceTec Inc.* patents . . . .” YAMIN, *supra* note 62, at 61.

<sup>213</sup> See Adewumi, *supra* note 24; Rangnekar, *supra* note 23, at 5.

<sup>214</sup> See Adewumi, *supra* note 24.

<sup>215</sup> *Id.*

<sup>216</sup> See YAMIN, *supra* note 62, at 61.

patents.<sup>217</sup> At about the same time, the Indian government also filed a petition with the Federal Trade Commission requesting that the agency regulate the use of the term “basmati” in domestic advertising.<sup>218</sup> The United States Federal Trade Commission ruled that the labeling of “American grown” basmati rice was not misleading and deemed basmati a generic term.<sup>219</sup> The Federal Trade Commission stated that there was no evidence “to suggest that U.S. grown rice is being misrepresented as rice from other parts of the world.”<sup>220</sup> The Federal Trade Commission relied on the Department of Agriculture’s regulations, which defines basmati rice as “aromatic rough rice”<sup>221</sup> that is “not limited to rice grown in any particular country.”<sup>222</sup> Therein rests the problem with the current system of protection; if a national court determines that Texmati “American style basmati rice” does not confuse the public, there is no protection for the foreign geographical indication. This ruling sharply contrasts with marketing regulations in the United Kingdom or Saudi Arabia where only particular aromatic rice varieties from the Indian subcontinent are accepted as basmati.<sup>223</sup> The case of basmati rice also shows that use by third countries other than the original producer, even with the addition of delocalizing terminology such as “style,” “imitation” and “made in,” does not sufficiently protect against a geographical indication becoming generic. American manufacturers, such as Lundberg,<sup>224</sup> who make basmati rice, are free riding on the extensive goodwill and customer recognition of basmati. After all, why else would a producer call rice “basmati”

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<sup>217</sup> Rangnekar, *supra* note 23 (stating that many of RiceTec’s claims were rejected after the challenge to the patents by the Indian government).

<sup>218</sup> Press Release, Federal Trade Commission, Commission Denial of Petition for Rulemaking Proceeding (May 15, 2001), <http://www.ftc.gov/opa/2001/05/fyi0131.shtm>.

<sup>219</sup> See Letter from Donald Clark, Secretary, Federal Trade Commission, to Charlotte A. Cristin, Joseph Mendelson & Andrew Kimbrell (May 9, 2001), <http://www.ftc.gov/os/2001/05/riceletter.pdf> (responding to a petition challenging the advertising of U.S. grown rice as “Basmati” or “Jasmine”).

<sup>220</sup> *Id.*

<sup>221</sup> See 7 C.F.R. § 868.212(e) (2007).

<sup>222</sup> USTR Press Release, *supra* note 124.

<sup>223</sup> Rangnekar, *supra* note 23, at 5.

<sup>224</sup> See *supra* note 21.

if it is not to free ride on the reputation, characteristic or quality of the original product?

Second, protection against dilution of a trademark also reflects a producer protection principle.<sup>225</sup> Dilution protects a trademark owner against the tarnishment<sup>226</sup> or the blurring<sup>227</sup> of a trademark.<sup>228</sup> Use of the term “basmati” for rice that does not possess its inherent qualities and that is not subjected to the same production process does tarnish the reputation of the original good. Additionally, the regional producer may suffer serious financial losses.<sup>229</sup> In the case of developing nations, regional producers have been impacted by lowered trade barriers at the border and thus have been exposed to competition from foreign imports.<sup>230</sup> These foreign imports are often from countries in the North who have spent millions of dollars on agricultural programs,<sup>231</sup> driving down world prices and flooding commodity markets with subsidized goods.<sup>232</sup> Extension of geographical indications should be viewed as an attempt to level the playing field. The case of Rwandan coffee is the quintessence of this phenomenon. Worldwide overproduction of high yielding coffee varieties caused

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<sup>225</sup> Rangnekar, *supra* note 23, at 2; *see also supra* notes 180–184 and accompanying text.

<sup>226</sup> 15 U.S.C. § 1125(c)(2)(C) (2000) (“[D]ilution by tarnishment’ is association arising from the similarity between a mark or trade name . . . that harms the reputation of the famous mark.”).

<sup>227</sup> *Id.* § 1125(c)(2)(B) (“[D]ilution by blurring’ is association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark.”).

<sup>228</sup> *See generally* 15 U.S.C. § 1125.

<sup>229</sup> *See generally* LEWIS MERIAM, *THE PROBLEM OF INDIAN ADMINISTRATION* (Johns Hopkins Press 1928), available at [http://www.alaskool.org/native\\_ed/research\\_reports/IndianAdmin/Indian\\_Admin\\_Problms.html](http://www.alaskool.org/native_ed/research_reports/IndianAdmin/Indian_Admin_Problms.html) (discussing the impact on the Native American community when their cultural products were not protected from counterfeiting and misappropriation).

<sup>230</sup> *See supra* note 223.

<sup>231</sup> *See* Celia Dugger, *CARE Turns Down Federal Funds for Food Aid*, N.Y. TIMES, Aug. 16, 2007, at A1 (discussing the charity CARE refusing Federal Aid in the amount of \$45 million and stating that that “CARE’s decision is focused on the practice of selling tons of often heavily subsidized American farm products in African countries that in some cases . . . compete with the crops of struggling local farmers”).

<sup>232</sup> *See* Charlton & Stiglitz, *supra* note 34, at 19 (discussing some of the weaknesses in the “aid for trade” schemes run by the European Union and the United States); *see also* YAMIN, *supra* note 62, at 49.

conventional coffee prices to bottom out in the late 1990's.<sup>233</sup> Since 2000, Rwandan cooperatives have developed to market specialty Rwandan coffee with the result that "about 40,000 of Rwanda's 500,000 coffee farmers have at least doubled their incomes."<sup>234</sup> Extension of the existing geographical indication regime would ensure that such products receive automatic and near universal protection.<sup>235</sup>

Third, the common law tort of passing off also evolved to protect the reputation of producers against people seeking to trade on that reputation.<sup>236</sup> Broadly speaking, it bars anyone from passing his product off as someone else's.<sup>237</sup> Similarly, geographical indications can also help to protect the reputation of producers.<sup>238</sup>

Fourth, the law of Unfair Competition also bars a producer or manufacturer from engaging in deceptive trade practices.<sup>239</sup> Permitting the sale of counterfeit goods has an impact on many communities' cultural and ethnic identities.<sup>240</sup> An example of the damage that can be caused by failing to correct misleading or deceptive labeling of products can be found in the Native American community.<sup>241</sup> In a 1928 report titled "The Problem of

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<sup>233</sup> See Laura Fraser, *Coffee, and Hope, Grow in Rwanda*, N.Y. TIMES, Aug. 6, 2006, at C1.

<sup>234</sup> *Id.*

<sup>235</sup> See generally TRIPs, *supra* note 13 (explaining that only WTO Member States would be bound by geographical indication protection pursuant to the TRIPs Agreement absent an additional agreement between any respective parties/nations).

<sup>236</sup> 4 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 25:1 (4th ed. 2006); see also SociologyIndex.com, Passing Off and Trade Marks Law, [http://sociologyindex.com/passing\\_off\\_and\\_trade\\_marks\\_law.htm](http://sociologyindex.com/passing_off_and_trade_marks_law.htm) (last visited Oct. 10, 2007).

<sup>237</sup> See LUCATELLI, *supra* note 174, at 12 para. 27.

<sup>238</sup> See TRIPs, *supra* note 13, art. 22(b).

<sup>239</sup> See *supra* note 188.

<sup>240</sup> Jennie D. Woltz, *The Economics of Cultural Misrepresentation: How Should the Indian Arts and Crafts Act of 1990 Be Marketed?*, 17 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 443, 455 (2007).

<sup>241</sup> See generally LEWIS MERIAM, THE PROBLEM OF INDIAN ADMINISTRATION (Johns Hopkins Press 1928), available at [http://www.alaskool.org/native\\_ed/research\\_reports/IndianAdmin/Indian\\_Admin\\_Problms.html](http://www.alaskool.org/native_ed/research_reports/IndianAdmin/Indian_Admin_Problms.html) (discussing the impact on the Native American community when their cultural products were not protected from counterfeiting and misappropriation); see also Woltz, *supra* note 240.

Indian Administration,” Lewis Meriam identified that the Native American community was facing abject poverty.<sup>242</sup> Congress recognized that many Native Americans made their living solely by selling arts and crafts. Mass produced counterfeit goods were diverting income from the source community with dire consequences. The Indian Arts and Crafts Act of 1990 (“IACA”)<sup>243</sup> was a response to this problem. The Act made it a crime for a non-Indian to sell goods in a manner that falsely suggests that they are Indian made.<sup>244</sup> In tandem with the principles of false advertising, the concept behind this prohibition is a logical one. Producers are obligated to indicate the true origin of their product. This prevents consumer confusion and deception. The legislators also recognized that the effect of counterfeit products was offensive to many Native American communities. Furthermore, the implementation of IACA reflects Congress’s recognition of the need “to balance the often-ignored human factors that are part of local production, especially in the context of handicrafts, with the desire to literally ‘spread the wealth’ across the globe . . . .”<sup>245</sup> In the same vein, extension of the current geographical indication regime is a vehicle to achieve the same goal on an international platform by assisting developing countries to secure meaningful and beneficial integration into the multilateral trading system.<sup>246</sup> As one of the main reasons the issue of geographical indication extension is of particular interest to least developing and developing countries is because of the importance of the remunerative marketing of their agricultural, handicraft and artisan production.<sup>247</sup> In addition, geographical indications have features that respond to the needs of indigenous and local communities and small farmers.<sup>248</sup> Geographical indications are based on collective traditions and a collective decision making

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<sup>242</sup> See generally MERIAM, *supra* note 241; Woltz, *supra* note 240, at n.32.

<sup>243</sup> 18 U.S.C. § 1159 (2000).

<sup>244</sup> 18 U.S.C. § 1159(a) (2000).

<sup>245</sup> Hughes et. al, *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, 960 (2007) (comments by Susan Scafidi).

<sup>246</sup> See DMD, *supra* note 30, para. 3.

<sup>247</sup> See Addor et al., *supra* note 24.

<sup>248</sup> *Id.* at 2.

process; they reward traditions while allowing for continued evolution; they emphasize the relationship between human efforts, land, resources and the environment; and they are not freely transferable from one owner to another.<sup>249</sup> Moreover, IACA does not prohibit the sale of fake Native American goods; it simply prevents producers from holding goods out as Indian made when they are not.<sup>250</sup> It is reasonable to surmise that extension would have the same effect on products covered by geographical indications.<sup>251</sup> If a source community loses income as a result of a third country producer free riding on the goodwill of its product or from deceptive trade practices, there should be a mechanism in place to redress this harm. This is in alignment with the principles of a free market economy. Additionally, if consumers do not have confidence that the goods they are purchasing are authentic, this is bad for the international trading community. Granting owners of a product property rights over their cultural products ensures control over the quality of the goods. One of the functions of a trademark in the United States is serving as an indicator of quality; the geographical indication serves the same purpose.<sup>252</sup> In addition to serving as an indicator of quality, a trademark is also a symbol of authenticity. Likewise the geographical indication serves to authenticate a cultural product, allowing the producer to share their product with the public while protecting their property from unlawful misappropriation.

### *B. The Economics of Geographical Indications*

“Economic analysis would suggest market failure as the rationale for [geographical indication] protection.”<sup>253</sup> With regard to information theory, an asymmetry of information between

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<sup>249</sup> *Id.* at 2.

<sup>250</sup> See 18 U.S.C. § 1159(a) (2000).

<sup>251</sup> See Addor et al., *supra* note 24 (“GI protection does not prevent manufacturers from other regions to produce the same kind of product, it only prohibits them to sell it under the same geographical indication. Consequently product markets with GI protection remain competitive *vis à vis* the product category.”).

<sup>252</sup> See Babcock & Clemens, *supra* note 45, at 2 (discussing how maintaining price premiums on branded products leads to greater control over the quality of branded products).

<sup>253</sup> See Addor et al., *supra* note 24, at 2.

producers and consumers gives rise to market failure. The argument is that “[a]symmetrical information places the consumer in a position of weakness so that he cannot always [optimize] his choices.”<sup>254</sup> Methods of improving communication include advertising, quality signs and authenticity certificates.<sup>255</sup> Thus, geographical indications could be a solution to this problem as they signal quality and expertise.<sup>256</sup> The geographical indication enables the consumer to distinguish between premium quality products and low end products. Additionally, when products appear to be uniform the customer can be duped as the producer is the sole proprietor of any quality differences in goods that can then be sold to the consumer at the same price.<sup>257</sup> It is clear that geographical indications would ameliorate these concerns via a transparent certification, or authentication process similar to the French *appellation d’origine contrôlée* (“AOC”).<sup>258</sup> Accordingly, the extension of geographical indication protection could promote product safety as producers would be more readily identifiable and could more easily be held responsible for their products. “When consumers buy on the basis of the product’s reputation, a producer who decides to go into the high-quality market is compelled to invest in order to build his reputation.”<sup>259</sup> Manufacturers and producers with premium quality products are more likely to invest in upgrading their product in order to maintain a competitive edge if they are afforded sufficient protection.<sup>260</sup>

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<sup>254</sup> LUCATELLI, *supra* note 174.

<sup>255</sup> *See id.* at 8 para. 11.

<sup>256</sup> *Id.* at para. 12.

<sup>257</sup> *Id.* at para. 8.

<sup>258</sup> Products covered by the French *appellation d’origine contrôlée* (“AOC”) labels are controlled by the state to ensure both their territorial origin and their conformity to precise rules for processing and production. *See, e.g.*, D. BARJOLLE & J.-M. CHAPPUIS, SWISS FEDERAL INSTITUTE OF TECHNOLOGY ZURICH, TRANSACTION COSTS AND ARTISANAL FOOD PRODUCTS 7–8, available at <http://www.isnie.org/ISNIE00/Papers/Barjolle-Chappuis.pdf> (last visited Oct. 18, 2007) (discussing the exacting standards imposed for the production of Gruyère cheese in Switzerland).

<sup>259</sup> LUCATELLI, *supra* note 174, at 8.

<sup>260</sup> *See* Addor et al., *supra* note 24 (stating that producers with a solid reputation in quality products are more likely to invest continuously in upgrading their product portfolio to maintain a competitive edge (citing Fink, Smarzynska (2002))).

*C. Search and Transaction Costs: Effects on the Consumer*

Opponents of geographical indication extension also argue that the cost to the consumer will be high. As a result of re-labeling and re-packaging, consumers will be confused.<sup>261</sup> There is of course the possibility that there would be a period of initial confusion but does that alone outweigh the long term benefits of extension? Niche products are considered to attract more sophisticated buyers who are less likely to be confused by re-labeling and re-packaging.<sup>262</sup>

The cost of misidentification is expensive for the consumer also. For example, sifting through different varieties of basmati rice in an attempt to locate authentic Indian basmati rice places a burden on the consumer. Extension of geographical indications would ensure that consumers can trust their selection is authentic when opting for a product that uses a geographical indication.

An argument can also be made that continuing under the present regime encourages deceptive trade practices. The law of false advertising generally bars a producer or manufacturer from engaging in misleading or deceptive behavior. The free market economy certainly does not promote misleading advertising. Sarah F. Thorn of the Grocery Manufacturers of America argues that “[n]obody picks up Parmesan cheese<sup>263</sup> in a green can and says, ‘Ah! A fine Italian product’.”<sup>264</sup> This statement, while aphoristic for some consumers, is deeply disturbing for several reasons. First, consumers should be able to select a product and expect it to originate from the region advertised on the product. Second, consumers do rely on the label and expect it to meet certain

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<sup>261</sup> See Addor et al., *supra* note 24, at 4.

<sup>262</sup> In trademark infringement cases, when the courts consider whether there is a likelihood of confusion they take into account the sophistication of the buyer. See *Polaroid Corp. v. Polarad Elects. Corp.*, 287 F.2d 492 (2d Cir. 1961), *cert. denied*, 368 U.S. 820 (1961). While this is not an identical situation, the rationale for considering the sophistication of the buyer is relevant here.

<sup>263</sup> “A hard dry Italian Cheese used chiefly in grated form. ORIGIN C.16: from Fr., from Ital. Parmigiano ‘of Parma.’” *CONCISE OXFORD ENGLISH DICTIONARY*, *supra* note 1, at 1038. Parmesan cheese is an Italian cheese from the Parma region of Italy that takes up to two years to mature and contains no additives. Parmigiano-Reggiano, Wikipedia, [http://en.wikipedia.org/wiki/Parmesan\\_cheese](http://en.wikipedia.org/wiki/Parmesan_cheese) (last visited Oct. 12, 2007).

<sup>264</sup> Peter Gumbel, *Food Fight!*, *TIME*, Aug. 31, 2003, at 44.

standards of quality or to possess certain characteristics, whether regional or associated with a particular production process, associated with the appellation of the product.

Geographical indication protection also contributes to the preservation of cultures of consumption, not just production.<sup>265</sup> The culture of consumption in one country is often inextricably linked to the culture of production in another country. In order to sustain such a culture of consumption the consumers must be furnished with accurate information concerning the source of the product. Wine is a good example of such a product as wine connoisseurs rely heavily on principles of source identification to select the wine they drink.<sup>266</sup> Wine-pairings with meals rely on accurate source identification. The variety and distinction make for a rich cultural experience. The experience would be rendered meaningless if the consumer could not rely on the advertised origin of the wine as an indicator of particular characteristics and quality.

#### *D. Anti-competitive?*

The result of increased geographical indication protection would mean that producers outside of the designated region would be prohibited from using the geographical indication no matter how similar the product. Critics of increased geographical indication protection argue that such a position is untenable in a laissez faire economy as it stifles competition.<sup>267</sup> In 2002, Kraft had to change the name of its grated cheese in Europe from *Parmigiano-Reggiano* to *Pamesello Italiano* as the European Court of Justice determined that Parmesan was a protected designation of

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<sup>265</sup> Broude, *supra* note 166, at 669.

<sup>266</sup> “Wine tasting n. judging the quality of wine by tasting it, an occasion for this. DERIVATIVES wine taster n.” CONCISE OXFORD ENGLISH DICTIONARY, *supra* note 1, at 1639; *see also* HUGH JOHNSON & JANCIS ROBINSON, THE WORLD ATLAS OF WINE 20–24 (Mitchell Beazley 2007) (1971) (discussing the relationship between geography and the taste of wine). Specifically, the authors point out that “geography determines the nuances of how a wine tastes.” *Id.* at 20.

<sup>267</sup> *See* Addor et al., *supra* note 24 (addressing opponents’ concerns that geographical indications are a means to close off future market access opportunities for developing countries).

origin.<sup>268</sup> “Michael Pellegrino, a vice president in Kraft’s cheese division, told a congressional committee . . . that being forced to change the name of products such as Parmesan would likely ‘require millions of dollars in packaging costs and an extensive, multi-million-dollar marketing campaign just to preserve, rather than grow, our existing levels of sales.’”<sup>269</sup> However, protection of geographical indications does not prevent a manufacturer like Kraft from producing the same kind of product. It merely prohibits them from using the same nomenclature and depriving a source community of deserved income. This should stimulate competition and innovation. Such producers are forced to develop innovative techniques to improve upon a product to compete *vis à vis* the product category.

Moreover, the case of French wine is evidence that enhanced protection does not automatically stifle competition. French wine sales have decreased in recent years despite the restrictive internal AOC system and the enhanced protection for wines and spirits under TRIPs.<sup>270</sup> In contrast, wine sales have sharply increased from countries in the New World. So arguments that enhanced protection for geographical indications will stifle competition are weakened. The French have been forced to examine new ways to make their product more competitive.<sup>271</sup> This is better for the consumer and encourages innovation. Moreover, geographical indications that are no longer being used have been released into the public domain as the wines are no longer using that appellation.<sup>272</sup> Additionally, the exceptions contained in Article 24 would apply to extension as they do presently for geographical indications for wines and spirits.<sup>273</sup> Article 24 permits the use of particular geographical indications of another Member with regard

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<sup>268</sup> Case C-66/00, *Tribunale di Parma v. Dante Bigi*, 2002 E.C.R. I-5917 (C-66/00 2002).

<sup>269</sup> Gumbel, *supra* note 264; *see also* Addor et al., *supra* note 24 (arguing that the cost of re-labeling, search, and transaction costs are short-sighted).

<sup>270</sup> *See, e.g., France Plans Export Drive to Boost Wine Sales*, THE N.Z. HERALD, Dec. 21, 2005, [http://www.nzherald.co.nz/category/story.cfm?c\\_id=46&ObjectID=10360951](http://www.nzherald.co.nz/category/story.cfm?c_id=46&ObjectID=10360951).

<sup>271</sup> *Id.*

<sup>272</sup> *See* TRIPs *supra* note 13, art. 24.9.

<sup>273</sup> Article 24 is a standstill provision but is commonly referred to as an exceptions provision.

to the same or similar goods if that Member used the geographical indication continuously for at least ten years preceding April 15, 1994,<sup>274</sup> or in good faith preceding that date.<sup>275</sup>

*E. A Worthwhile Expense?*

Opponents of extension further argue that the costs of implementing new laws and administrative mechanisms would be high.<sup>276</sup> Presently, it is unclear whether the benefits of any proposed extension would exceed the burden placed upon poorer or developing nations. Establishing domestic systems for geographical indication enforcement is a prerequisite for any meaningful form of international protection. New World Members point out that most European Union countries already have existing mechanisms in place to monitor the enforcement of an enhanced geographical indication system. Countries such as Argentina, Chile and Guatemala argue that the burden on poorer countries would be high as they do not have existing TRIPs plus<sup>277</sup> systems in place.<sup>278</sup> This argument falls prey to several criticisms. First, there is no empirical data detailing the cost of the implementation of the extension. Second, it is reasonable to conclude that these concerns exist with the implementation of any new rule created pursuant to a multilateral trade agreement.

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<sup>274</sup> See TRIPs, *supra* note 13, art. 24.4.

<sup>275</sup> *Id.*

<sup>276</sup> Miller, *supra* note 174.

<sup>277</sup> TRIPs plus refers to requirements in bi-lateral treaties that impinge upon the flexibilities established in the TRIPs Agreement requiring developing countries to agree to new and expanded commitments in the area of intellectual property with their trade partners (usually the United States and the European Union), at the expense of public health. See *infra* note 350.

<sup>278</sup> See Communication, *Zambia—Implementation of Article 66.2 (Agenda Item D); Information on Technology Capacity-Building (Agenda Item E); and Review of the Implementation of the Agreement Under Article 71.1*, IP/C/W/298 (June 20, 2001), available at <http://docsonline.wto.org/> (follow “Simple Search” hyperlink; then enter “IP/C/W/298” in the “Document symbol” field and click the “Search” button; click the “E” hyperlink to download the file).

Moreover, the TRIPs Agreement does not mandate a particular system of protection<sup>279</sup> so WTO Member states have considerable leeway when considering enforcement options. WTO Member states would be free to employ the most cost effective system of administration. Members are already obliged to provide a legal means for aggrieved parties to prevent the misleading use of geographical indications.<sup>280</sup> As a practical matter, many WTO countries have already established some kind of framework to protect geographical indications. For example, the United States currently protects geographical indications as either a trademark<sup>281</sup> or as a certification mark.<sup>282</sup> Additionally, an increasing number of countries are in the process of independently establishing their own national regulations to protect geographical indications.<sup>283</sup> For example, “[the Australian government] has instituted a program for the labeling of authentic Aboriginal art destined for the market, including musical instruments.”<sup>284</sup> The authentication mark protects the Aboriginal didgeridoo from counterfeits made from artificial materials and non-aboriginal designs that cause distress to the source community.<sup>285</sup> This program halts the trade in counterfeit didgeridoos but does not stifle competition. Rather, the authentication mark merely ensures that the right holder of the cultural product can benefit from the goodwill developed in the product. Accordingly, before dismissing extension as mere European protectionism it is vital that individual countries attempt to calculate the one-off fixed costs associated with establishing

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<sup>279</sup> See TRIPs, *supra* note 13, arts. 22.2, 23.1. The treaty merely states that each Member shall provide “legal means” to prevent improper use of geographical indications. *Id.*

<sup>280</sup> See TRIPs, *supra* note 13, art. 23.1.

<sup>281</sup> See 15 U.S.C. § 1125 (2000).

<sup>282</sup> Idaho for potato is an example of an American certification mark. The mark is owned by the State of Idaho Potato Commission, U.S. Reg. No. 2914308. The certification mark as used by authorized persons, certifies that goods identified by the mark are grown in Idaho and that goods conform to quality, grade and other requirements, pursuant to standards designated by the applicant.

<sup>283</sup> See, e.g., Provisions for the Protection of Products of Geographical Indications, [http://www.ipr.gov.cn/ipr/en/info/Article.jsp?a\\_no=2158&col\\_no=119&dir=200603](http://www.ipr.gov.cn/ipr/en/info/Article.jsp?a_no=2158&col_no=119&dir=200603) (last visited November 13, 2007).

<sup>284</sup> SCAFIDI, *supra* note 86, at 153.

<sup>285</sup> *Id.*

new administrative rules if necessary and the ongoing and uncertain costs of running any enforcement system.

Under the current law there is scope for legal uncertainty, which can lead to increased litigation costs.<sup>286</sup> If the proposals of the European Union for extension were granted, any administrative body would not need to consider whether or not the public was misled.<sup>287</sup> It would be a straightforward objective<sup>288</sup> inquiry similar to false advertising style protection for trademarks. There would be no need to inquire into whether the public was misled or to examine evidence supporting claims for unfair competition.<sup>289</sup> Arguably, litigation costs would be reduced and administrative decisions would be uniform.<sup>290</sup> What should matter are the long term economic effects and the guarantee of fair competition.

In other areas of intellectual property the United States has adopted a more expansive approach to heightened protection for right holders.<sup>291</sup> Professor Bruce Babcock points out that, “[t]he United States has been a forceful and consistent international advocate for increased protection of intellectual property rights.”<sup>292</sup> Babcock goes on to state that “[t]he fights against bootleg DVDs in China, production of unlicensed generic drugs in Africa, or the protection of the rights of seed companies have been led by the United States.”<sup>293</sup> A further example is the implementation of the Digital Millennium Copyright Act (“DMCA”)<sup>294</sup> which was adopted by Congress in order to comport with the requirements of

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<sup>286</sup> See Addor et al., *supra* note 24.

<sup>287</sup> *Id.* at 5.

<sup>288</sup> *Id.* at 5 (highlighting that “[u]nlike Article 22, Article 23 does not require evidence of the public being misled nor the proof of an act of unfair competition and thus would exclude the undesirable result that different judges would come to diverging results with their discretionary tests”).

<sup>289</sup> *Id.* at 5.

<sup>290</sup> *Id.* at 5.

<sup>291</sup> This is exemplified in the fight against bootleg DVD’s. See *infra* notes 292–293.

<sup>292</sup> Bruce A. Babcock, *Geographical Indications, Property Rights, and Value Added Agriculture*, Review Paper (IAR 9:4:1-3), Nov. 2003, at 3, available at [www.agmrc.org/NR/rdonlyres/76DO17B7-1520-4916-ABAC-8B4544AD5B81/0/geographicalindications.pdf](http://www.agmrc.org/NR/rdonlyres/76DO17B7-1520-4916-ABAC-8B4544AD5B81/0/geographicalindications.pdf)

<sup>293</sup> *Id.*

<sup>294</sup> The Digital Millennium Copyright Act of 1998 implemented the United States ratification of the 1996 World Intellectual Property Organization Copyright Treaty and the 1996 World Intellectual Property Organization Performances and Phonograms Treaty.

the WIPO Internet Treaties.<sup>295</sup> Rather than adopting a *de minimis* approach, the DMCA went far beyond the United States' international treaty obligations.<sup>296</sup> For example, the "WIPO Copyright Treaty"<sup>297</sup> requires countries to provide 'adequate protection' against circumvention of technical measures."<sup>298</sup> The United States raised the bar to catastrophic heights by outlawing acts of circumvention of access controls and technologies that have circumvention enabling devices.<sup>299</sup> The scope of the provision is "overbroad and unclear, especially on the question whether it is legal to develop a technology necessary to engage in a privileged act of circumvention" such as fair use,<sup>300</sup> which is entirely lawful under the Copyright Act.<sup>301</sup> If the enactment of the DMCA was simply about harmonizing United States domestic legislation with its TRIPs obligations, Congress could simply have enacted legislation that made "it illegal to circumvent a technical protection system for purposes of engaging in or enabling copyright infringement."<sup>302</sup> The fact is that the copyright industries in the United States are thriving.<sup>303</sup> As a major exporter of intellectual property the United States stands to make millions of dollars from this highly protectionist piece of legislation. Congress has responded to criticisms concerning the breadth of the DMCA by arguing that the broader rules were adopted in part to set a standard that would help persuade other countries to pass similarly strong rules going forward.<sup>304</sup> Thus, it is logical to conclude that the

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<sup>295</sup> The World Intellectual Property Organization Copyright Treaty and the World Intellectual Property Organization Performances and Phonograms Treaty are collectively referred to as the "WIPO Internet Treaties." The Treaties are available at <http://www.wipo.int/treaties/en/ip/wct/> and [http://www.wipo.int/copyright/en/activities/wct\\_wppt/pdf/wct\\_wppt.pdf](http://www.wipo.int/copyright/en/activities/wct_wppt/pdf/wct_wppt.pdf).

<sup>296</sup> Pamela Samuelson, *Intellectual Property and the Digital Economy: Why the Anti-Circumvention Regulations Need to be Revised*, 14 BERKELEY TECH. L.J. 519, 519 (1999).

<sup>297</sup> World Intellectual Property Organization Copyright Treaty, Apr. 12, 1997, 2186 U.N.T.S. 152 [hereinafter WCT].

<sup>298</sup> Samuelson, *supra* note 296, at 521; *see also* WCT, *supra* note 294, at 155.

<sup>299</sup> Samuelson, *supra* note 296, at 521.

<sup>300</sup> *Id.* at 519.

<sup>301</sup> 17 U.S.C. § 107 (2000) (codifying the judicial doctrine of fair use).

<sup>302</sup> Samuelson, *supra* note 296, at 533.

<sup>303</sup> *Id.* at 532.

<sup>304</sup> *See House Subcommittee Holds Hearings on WIPO Treaty Bills, OSP Liability*, 54 BNA PAT., TRADEMARK & COPYRIGHT J. 413, 413 (1997).

United States not only considers heightened protection for right holders intuitive, but that it wants to set an example for the rest of the world. In light of this, Congress must be mindful that heightened protection for right holders must, to the extent that it is possible, benefit all of the WTO Member states. This includes protection of non-traditional forms of intellectual property such as cultural products. Meaningful participation in the development and enactment of a substantive international regime for heightened geographical indication protection would show a genuine commitment to the mandates of TRIPs.<sup>305</sup>

The Old World Members bid for extension of the current geographical indication regime is an attempt to improve the protection of geographical indications in the future.<sup>306</sup> It is an attempt to protect right holders against the continued pillaging of their cultural products.<sup>307</sup> New World Members' arguments that there might be prohibitive costs involved are not sufficient to prevent enhancement of the law in accordance with obligatory TRIPs mandates.

#### *F. Conflict Resolution?*

Opponents also argue that extension will cause a heightened risk of disputes between WTO Member states.<sup>308</sup> This may well be the case, but this is true for many multilateral agreements.<sup>309</sup> This adverse consequence is one "cost" of any form of intellectual property protection. New World Members further argue that there will be an increased risk for conflict among regional producers.<sup>310</sup>

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<sup>305</sup> See, e.g., TRIPs, *supra* note 13, art. 13. This Note renews the WTO Member States' long term objective to establish a fair and market oriented trading system through a program of fundamental reform encompassing strengthened rules and specific commitments on support and protection in order to correct and prevent restrictions and distortions in world agricultural markets. *Id.*; see also TRIPs *supra* note 13, art. 16.

<sup>306</sup> See Lynne Beresford, *Geographical Indications: The Current Landscape*, 17 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 979, 991–92 (2007).

<sup>307</sup> See Addor et al., *supra* note 24 (pointing out that "what matters are the long term effects and the guarantee of sustainable and fair competition").

<sup>308</sup> See Rangnekar, *supra* note 23, at 3.

<sup>309</sup> *Id.*

<sup>310</sup> See *id.* at 3; see also Bhutani & Kothari, *supra* note 87, at 607 (discussing conflicts that may arise between countries due to the same biological resources existing in

For example, there are many regions in the “New” world that have an identical name to regions in the “Old” world. Who decides who owns culture? Why should the immigrant family who has moved from Greece and settled in a foreign land but follows the same procedure for making Feta cheese that their ancestors followed be denied the opportunity to name their cheese Feta?<sup>311</sup> Concerns about the homonymous geographical indication are legitimate. Analogous dilemmas can be found in trademark law as is evidenced by the doctrine of concurrent use. TRIPs Article 24.4 is one possible solution to this problem. “The most famous example of continuous use is the case of Budweiser beer. Since the thirteenth century the beer has been brewed in Budweis, Bohemia and named accordingly.”<sup>312</sup> Since the nineteenth century, “Budweiser” has also been used to brand an American beer. After “litigation in the United States, [the term ‘Budweiser’] was deemed to have ‘secondary meaning’ so that it could be registered as [an American] trademark.”<sup>313</sup> Although “[t]he name is still fought over, TRIPs does not attempt to settle the matter and allows use in each of its member countries.”<sup>314</sup> TRIPs Article 24.4 states:

Nothing in this Section shall require a Member to prevent continued and similar use of a particular geographical indication of another Member identifying wines or spirits in connection with goods or services by any of its nationals or domiciliaries who have used that geographical indication in a continuous manner with regard to the same or related goods or services in the territory of

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different countries). The article, citing Professor Madhav Gadgil, proposes one possible solution to such conflicts. *Id.*

<sup>311</sup> See Amity Shlaes, Comment & Analysis, *An Unpalatable Attitude Towards Food*, FIN. TIMES, Oct. 22, 2002, at 19. The author argues that the European Union desire to spread geographical indication protection to the U.S. is culturally and economically protectionist. The author goes on to state that “[t]he Brussels position reflects the dreamy presumption that European place names are Europe’s exclusive property, even when they are attached to a food.” *Id.*

<sup>312</sup> Albrecht Conrad, *The Protection of Geographical Indications in the TRIPs Agreement*, 86 TRADEMARK REP. 11, 43 (1996).

<sup>313</sup> *Id.*; see also *Anheuser-Busch, Inc., v. Budweiser Malt Prod. Corp.*, 295 F. 306, 309 (2d Cir. 1923).

<sup>314</sup> Conrad, *supra* note 312, at 43.

that Member either (a) for at least 10 years preceding 15 April 1994 or (b) in good faith preceding that date.<sup>315</sup>

The problem of repatriating semi-generic names also arises within the European Union. An example is the geographical indication “Feta” cheese. In October 2005, the European Court of Justice ruled that the term “Feta” had not become generic.<sup>316</sup> The result is that the use of “Feta” is restricted to producers in the designated region of Greece.<sup>317</sup> The dispute began in 1996 when “Feta” was originally registered as a PDO under Regulation 1107/96.<sup>318</sup> In 1999, Germany and Denmark supported by France and the United Kingdom, successfully applied to the Court for cancellation of the registration on the ground that it had become a generic term for a soft, white cheese made from sheep or cow’s milk. The Commission concluded that the name had not become generic. Denmark and Germany appealed and argued that they had used the term “Feta” to label their cheese for over fifty years. The European Court of Justice disagreed with Denmark and Germany and upheld the legality of the registration. The court found “[t]he interplay between the . . . natural factors and the specific human factors, in particular the traditional production method, . . . has thus given ‘Feta’ cheese its remarkable international reputation.”<sup>319</sup> The result is that manufacturers of “Feta” cheese outside of the designated area are prohibited from referring to their product as “Feta” or “Feta-style” cheese.

The case of Feta cheese shows that existing mechanisms can adequately address conflicts that arise from disputes concerning violations of geographical indications between WTO Member states. Within the United States the same domestic and international procedures utilized to redress trademark and certification mark violations could be used to redress geographical

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<sup>315</sup> TRIPS, *supra* note 13, art. 24.4.

<sup>316</sup> Joined Cases C-465 & C-466/02, F.R.G. v. Comm’n, 2005 E.C.R. I-9115.

<sup>317</sup> *See id.*

<sup>318</sup> *Id.*; *see* Council Regulation 2081/92, On the Protection of Geographical Indications and Designations of Origin for Agricultural Products and Foodstuffs, Art. 4, 1992 O.J. (L 208) 1, 3; *see also supra* note 122.

<sup>319</sup> Joined Cases, *supra* note 316.

indication violations. The fact that there might be increased litigation must be balanced against the desire to have greater certainty and uniformity of the law. Moreover, the increased mobility of consumers, the extensive reach of the media and the reduction of trading barriers dictates the development of global branding strategies.<sup>320</sup> Without heightened international geographical indication protection right holders have little incentive to continue producing premium quality goods in this increasingly borderless trading economy.

#### IV. MUCH ADO ABOUT NOTHING?

Is the discussion concerning extension of geographical indications a mere quodlibet? Or are there quantifiable benefits for the international community? It is indisputable that in comparison with other TRIPs obligations, the implementation of geographical indication obligations has occurred in the most ad hoc manner.<sup>321</sup> This undermines the general objective of TRIPs which is to establish a predictable multilateral system of rules and disciplines protecting intellectual property rights and the desire to promote effective and adequate protection.<sup>322</sup> Additionally, the following arguments can be made; First, there is no empirical evidence to support claims that developing countries will necessarily benefit under enhanced regulation. Even if they do receive some benefit the costs of administration might be far too high. Others argue that market forces change cultures of production despite protection from geographical indications even when methods are regulated.<sup>323</sup> Winemaking is a classic example. In many regions of France innovation and economics have led to the adoption of new techniques and practices at the expense of prior traditions. In some cases producers forego the geographical indication they are legally entitled to in order to pursue new production methods. “This happened in Tuscany, where wine innovators . . . abandoned the Chianti Classico Denominazione d’Origine Controllata e Garantita

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<sup>320</sup> See Miller, *supra* note 174, at B1.

<sup>321</sup> Beijing Symposium, *supra* note 69, at 5.

<sup>322</sup> *Id.*

<sup>323</sup> Broude, *supra* note 166, at 678.

(“DOCG”), preferring to introduce non-Tuscan grape varieties such as Cabernet Sauvignon into the blends that made up some of their best wines . . . .”<sup>324</sup> On the one hand, the example of Chianti might be a case of *quod erat demonstrandum* and thus, one can conclude that geographical indications are not effective as the guardians of cultural preservation. On the other hand, the example of Chianti could reflect that geographical indications are no different from other forms of intellectual property protection; trademarks can be abandoned or lost due to naked licensing. The practical effect is that another producer is free to come along and use the geographical indication. Thus, some of the concerns of New World Members are allayed and the juggernaut free market economy can march on.

Even if all of the legitimate reasons for extension are rejected and this is truly a case of European Union protectionism, how is this different from the United States’ implementation of the DMCA? There is nothing inherently inimical in the United States legislating to benefit its right holders. Rather it is evidence that each WTO member nation will to some degree inevitably seek to formulate international intellectual property standards that benefit their own nationals. The true task for the United States and the European Union is to ensure that developing nations and domestic niche producers are able to protect the intellectual property that is necessary for their economic and cultural survival.

Furthermore, producers in the United States could benefit from enhanced protection of geographical indications.<sup>325</sup> Examples of geographical indications in the United States are Idaho potatoes, Vidalia onions and Florida oranges. There are increasing numbers of producers in the agricultural sector who recognize the benefits of enhanced geographical indication protection. United States producers also want to access worldwide consumer demand. An

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<sup>324</sup> *Id.* at 665.

<sup>325</sup> See Babcock & Clemens, *supra* note 45, at 13. Professor Babcock notes that there are numerous examples of how increased protection for cultural goods has led to increased profits for producers in Europe. Italian “‘Toscana’ oil receives a twenty percent premium over commodity oil” since the company registered its brand name in 1998. “[T]he market price for Breese poultry in France is quadruple that of commodity poultry meat[,] . . . milk used to produce French Comte cheese sells for a 10 percent premium . . . .” *Id.* at 13.

example of the benefits for United States producers can be found in the case of Copper River Salmon.<sup>326</sup>

“Copper River Salmon Cordova” is a trademark held by a corporation. . . . [T]he current trademark could be sold to another entity so that the salmon being produced would not necessarily originate from Copper River. Further, producers in other countries could be allowed to market any salmon as Copper River Salmon Cordova. Finally, if the corporation does not include all producers and processors in the decision-making process and does not spread any economic rewards throughout the supply chain, it will be more difficult to obtain complete buy-in by all participants to protect product quality and integrity and to pool resources to market the salmon.<sup>327</sup>

Another factor to consider is the increasing pressure the United States and the European Union are facing to cut agricultural subsidies given to farmers.<sup>328</sup> Farmer subsidies overwhelmingly focus on commodities, which results in producers focusing their energies on identifying ways to produce cheaper goods in mass quantities.<sup>329</sup> If producers are given an incentive to produce premium quality products by bestowing property rights over the names of regional products, thereby generating a higher profit for

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<sup>326</sup> *Id.* at 16.

<sup>327</sup> *Id.*

<sup>328</sup> See Carter Dougherty, *Once Again, Trade Effort Stumbles on Subsidies*, N.Y. TIMES, June 22, 2007, at C3. At the Potsdam Ministerial Conference the United States offered to enact a \$17 billion ceiling for agricultural subsidies, much lower than the \$22 billion initially proposed. The European Union also proposed plans to cut agricultural subsidies. *Id.*

<sup>329</sup> See Roxanne Clemens and Bruce A. Babcock, *Country of Origin as a Brand: The Case of New Zealand Lamb*, MATRIC Briefing Paper 04-MBP 9 (Nov. 2004), at 2–3, available at <http://www.card.iastate.edu/publications/DBS/PDFFiles/04mbp9.pdf> (“A major driver in developing an internationally competitive industry [for New Zealand lamb] was the removal of government subsidies 20 years ago. Prior to 1984, a series of government programs using various systems of price supports, market intervention, and low interest loans was implemented to stabilize and support the industry . . . . [The] loss of government support was a turning point in changing producer dependence on subsidy-driven, volume based production to an industry structure that emphasized production efficiencies and product quality.”).

their goods, the need for subsidies will decline. Moreover, in light of the protracted and foundering Doha negotiations,<sup>330</sup> absent some shift in the status quo, it is reasonable to conjecture that “the big emerging economies will have to file formal complaints at the WTO’s dispute-settlement tribunal to force rich countries to lower their farm subsidies.”<sup>331</sup> It is also fair to conclude that “Doha’s demise would almost certainly spell a surge in WTO litigation, putting the multilateral system under enormous strain.”<sup>332</sup> “If many judgments go against America, Congress would surely question the WTO’s legitimacy.”<sup>333</sup> This would be bad as one of the aims of TRIPS was to establish a “mutually supportive relationship” between the activities of the WTO and the development of international intellectual property legislation.<sup>334</sup>

Reaching some consensus on the geographical indication debate is one way to bring a degree of equilibrium to the current situation. Emerging economies may never get the United States to reduce its farmer subsidies to what they consider to be an acceptable level.<sup>335</sup> Neither can they be certain that the European Union will be willing to open its agricultural markets to the extent they deem to be appropriate.<sup>336</sup> However, with adequate protection of their cultural products these economies can start to reap some of the economic benefits from multilateralism. Producers like the basmati rice farmers in India can market their cultural goods absent unfair competition from highly subsidized counterfeit products.

Moreover, despite the United States’ opposition to enhanced geographical indication protection on an international level it is party to several bilateral trade agreements that afford enhanced

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<sup>330</sup> See generally Potsdam, *supra* note 26; *Mangling Trade*, *supra* note 56.

<sup>331</sup> Potsdam, *supra* note 26.

<sup>332</sup> *Id.*

<sup>333</sup> *Id.*

<sup>334</sup> TRIPS, *supra* note 13; TRIPS preamble, *supra* note 15. The preamble to the TRIPS Agreement states that one of the goals of the treaty is “to establish a mutually supportive relationship between the WTO and the World Intellectual Property Organization as well as other relevant international organizations.” *Id.*

<sup>335</sup> See ICTSD DOHA UPDATE, *supra* note 54, at 15 (discussing the gridlock between the WTO Members relating to agriculture and trade reforms). See *id.* at 19 for a more in-depth discussion about the lack of consensus between the WTO Members concerning geographical indication protection.

<sup>336</sup> *Id.* at 15.

protection to specific goods. For example, the Bourbon-Cognac Accord is a bilateral agreement signed between the United States and France.<sup>337</sup> The Accord requires the United States to “reserve the use . . . of the name [ ] ‘Cognac’ . . . to the French products entitled by virtue of existing French legislation to use [that] name . . . .”<sup>338</sup> Cognac indicates a brandy that meets certain prescribed standards of quality and content and that is produced in the Cognac region of France under conditions regulated by French law.<sup>339</sup> Mexico also received explicit protection for Tequila and Mezcal in the North American Free Trade Agreement.<sup>340</sup> In the recent United States-Australia Free Trade Agreement there was a commitment that Bourbon whiskey and Tennessee whiskey would be protected geographical indications in Australia.<sup>341</sup> There is no indication that bilateral trade and intellectual property agreements are in decline.<sup>342</sup> Protection for geographical indications should certainly not take place through the patchwork of bilateralism. This is imperative as “developing countries still occupy weak bargaining positions *vis-à-vis* their more powerful trading partners.”<sup>343</sup> One of the main goals of the TRIPs Agreement is to create a competitive trading ground for all WTO Members with the commitment to preventing the marginalization of the least

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<sup>337</sup> See Agreement Providing for the Recognition and Protection by France of the Appellation of Origin of United States Bourbon Whiskey and Continued Protection by the United States of Appellations of Origin of the French Brandies Cognac, Armagnac, and Calvados, U.S.-Fr., Dec. 2, 1970–Jan. 18, 1971, 10 I.L.M. 673 [hereinafter Bourbon-Cognac Accord].

<sup>338</sup> *Institut National Des Appellations d’Origine v. Brown-Forman Corp.*, 47 U.S.P.Q.2d 1875, 1877 (T.T.A.B. 1998).

<sup>339</sup> See Bourbon-Cognac Accord, *supra* note 337; see also *Brown-Forman*, 47 U.S.P.Q.2d at 1884–85 (holding the term Cognac was not a generic name and was a valid common law certification mark).

<sup>340</sup> North American Free Trade Agreement, U.S.-Can.-Mex., Annex 313 ¶ 3, Dec. 17, 1992, 32 I.L.M. 289 (1993).

<sup>341</sup> Free Trade Agreement, U.S.-Austl., May 18, 2004, 2004 U.S.T. LEXIS 162.

<sup>342</sup> Roffe & Vivas-Eugui, *supra* note 168, at 15 (“Since the conclusion of the Uruguay Round negotiations and the adoption of the WTO Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS), the US has pursued new and expanded commitments in the area of intellectual property (IP) with a number of its trade partners. As of 1994, the US has sought such provisions in more than 15 free trade agreements (FTAs) containing standards that go beyond the requirements of the TRIPS Agreement.”).

<sup>343</sup> *Id.* at 16; see also Wolf, *supra* note 79, at 19.

developed countries.<sup>344</sup> If the trend is increased harmonization and the trend is higher protection for global intellectual property rights then extension of the current geographical indication regime is intuitive.

Additionally, there is no doubt that the current law under TRIPs provides for legal uncertainty. For example, McCarthy has asked: “What should happen when a recently established [geographical indication] conflicts with an established trademark?”<sup>345</sup> In the United States, both trademarks and geographical indications fall within the purview of common law and registered trademarks.<sup>346</sup> Consequently, any “conflicts that might arise are resolved using the familiar concepts of priority and likelihood of confusion.”<sup>347</sup> In Europe, protection for geographical indications is *sui generis* so there are potentially “several possible rules of priority.”<sup>348</sup> “Under the rule of ‘first-in-time, first-in-right,’ the prior trademark would take precedence over the later established [geographical indication]. Or, [they] could be allowed to co-exist . . . [o]r, the [geographical indication] would take precedence and the conflicting trademark rights would be voided.”<sup>349</sup>

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<sup>344</sup> See TRIPs, *supra* note 13; TRIPs preamble, *supra* note 15.

<sup>345</sup> 2 MCCARTHY, *supra* note 236, § 14:1.50.

<sup>346</sup> *Id.*

<sup>347</sup> *Id.*

<sup>348</sup> *Id.*

<sup>349</sup> *Id.*

For example, assume that the geographical name EVIAN were to be registered and protected as a [geographical indication]. Applying this rule, the [geographical indication] would destroy the existing trademark rights in EVIAN. See U.S. Reg. 1155024 (registering EVIAN for mineral water). Perhaps because of similar conflicts, in April, 2003, the EU amended regulation 2081/92 to exclude mineral and spring waters from the scope of goods eligible for [geographical indication] protection.

*Id.* n.28; see also Council Regulation 692/2003, art. 2, 2003 O.J. (L 99); Beijing Symposium, *supra* note 69, at 3 (pointing out that “In some countries GI producers are confronted with registered trademarks which contain their GI names). According to the principle of ‘first in time, first in right’ applicable to trademarks, it is therefore not possible for producers to seek trademark registration of their name as it is already legally owned by another private party. In such cases GI producers only have two options. They can launch proceedings to obtain cancellation of the registered trademark or they can enter into negotiations with the owner of the trademark in order to buy it. In both cases,

Finally, even if extension is a disguise for European trade protectionism, developing countries must seize this opportunity to gain an equal footing on the international intellectual property platform. This debate must not gravitate around United States and European Union agriculture and trade policy.<sup>350</sup> The proclivity of the richer nations to craft legislation to their benefit will not decline absent a real commitment to the mandates of TRIPs.<sup>351</sup> It is simply “inappropriate for the largest and richest countries to be demanding a quid pro quo” in the realm of heightened international intellectual property protection from the poorest and least developed countries in the world.<sup>352</sup>

Geographical indications are an opportunity for emerging economies to use intellectual property rules to improve their living standards by generating wealth for their communities, preserving their cultural heritage and landscape. For example, in 1999, the Indian Parliament passed the Geographical Indications of Goods (Registration and Protection) Act.<sup>353</sup> The Act seeks to provide for the registration and better protection of geographical indications for goods relating to India. The Parliament recognized that providing legal protection for Indian geographical indications would boost exports and promote economic prosperity for

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actions launched by GI producers have proven to be very costly and are not always successful.”).

<sup>350</sup> See Beattie & Callan, *supra* note 60, at 12.

<sup>351</sup> For example, five years after the adoption of the DMD, the United States and the European Union have engaged in a tsunami wave of bilateral treaties negotiating TRIPs-plus intellectual property rules, weakening or eliminating the public safeguards under TRIPs and delaying the availability of affordable generic medications. An example can be found with the current dispute concerning Novartis. Novartis is currently challenging an Indian patent law that “blocks patenting of minor improvements in known molecules. India is a vital source of cheap generic medicines” in poorer countries. If the Novartis challenge succeeds many people “in the developing world could lose access to vital drugs.” The “[h]umanitarian agency Mèdecins San Frontières has said that tens of thousands of people being treated for AIDS will suffer if the Swiss company succeeds in changing India’s patent law.” Reuters, *India Court Reserves Order in Novartis Patent Case*, Apr. 4, 2007, <http://www.alertnet.org/thenews/newsdesk/DEL201668.htm>.

<sup>352</sup> See Charlton & Stiglitz, *supra* note 34, at 19.

<sup>353</sup> The Geographical Indications of Goods (Registration and Protection) Act, No. 48 of 1999, India Code, available at <http://indiacode.nic.in> [hereinafter GI Goods Act].

producers of goods produced in an economic territory.<sup>354</sup> Under the Act, registration is not compulsory and protection is for a period of ten years.<sup>355</sup> If registration for a geographical indication is not renewed then it is liable to be removed from the register.<sup>356</sup> The Act is comprehensive and thorough and could be used a model for developing countries in the future.

#### CONCLUSION

It is clear that the debate concerning extension of the framework for international geographical indications is far from over. The very nature of the geographical indication involves two components: a) the regional connection; and b) the cultural component. It is not culture or a process alone that explains the geographical indication but the combination of culture and locus. Determining which side of the debate one falls on will depend very much upon the value placed upon this symbiotic relationship. Advances in technology, lower transportation costs and the reduction of trade barriers have led to the mass production of standardized products. Cultural homogeneity abounds. Extended protection for geographical indications has the potential to serve many purposes: a) protection for producers and source communities; b) protection for consumers; and c) increased quality and production standards. However, there are many wrinkles that must be ironed out before any extension of the current international geographical indication regime is memorialized.

Moreover, developing nations such as India have had to adapt to fast-paced intellectual property harmonization, despite their economic and structural disadvantages, in order to comply with TRIPs.<sup>357</sup> Domestic laws have been enacted against the interests of the local inhabitants in the name of harmonization.<sup>358</sup> Equally,

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<sup>354</sup> *Focus on Geographical Indications at Meet*, TIMES OF INDIA, Jan. 23, 2002, available at 2002 WLNR 7364857.

<sup>355</sup> GI Goods Act, *supra* note 353, para. 18.1.

<sup>356</sup> *Id.* para. 18.4.

<sup>357</sup> See YAMIN, *supra* note 62, at 46–48.

<sup>358</sup> For example, one of the major critiques raised against FTAs has been that they impinge upon the flexibilities established in the TRIPs Agreement. These FTAs usually include comprehensive chapters on intellectual property that go well beyond the TRIPs

the United States must be prepared to adapt its domestic laws to comply with TRIPs especially where the goals of the domestic legislation mirror closely those of the proposed international legislation. Professor Stiglitz, the Nobel laureate, argues that a legitimate development agenda must recognize that developing countries are deserving of differential treatment.<sup>359</sup> He points out that this will “entail a movement away from principles of reciprocity and bargaining” and a movement towards “unilateral concessions by the developed countries.”<sup>360</sup> Failure to do so calls into question the legitimacy of TRIPs and tarnishes heightened global intellectual property protection for right holders. If

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Agreement. These so-called TRIPs plus provisions question the flexibilities and exceptions safeguarding public health interests. One major area where the negative effect of the conclusion of FTAs is clear is the supply of pharmaceutical products. For example, the US-Peru FTA has come under increased scrutiny due its data exclusivity provision. This provision requires:

[t]he exclusive protection of data for at least five years . . . . [It] relates mainly to the regulatory hurdles that generic competitors must overcome before their pharmaceutical products reach the market. More specifically, the protection of test data prevents producers of generic drugs from relying on information provided by the person that submitted the original data to sanitary authorities.

This provision has recently been amended to a “reasonable period of time.” Roffe *supra* note 168, at 15 (internal quotation marks omitted); *see also European Parliament TRIPS Amendment Postponed Once Again*, BRIDGES WEEKLY TRADE NEWS DIGEST (Int’l Centre for Trade and Sustainable Dev.), Sept. 19, 2007, <http://www.ictsd.org/weekly/07-09-19/story4.htm> (discussing a “controversial amendment to WTO intellectual property rules aimed at easing poor countries’ access to patented drugs”). At the moment there is a temporary “waiver setting out the conditions under which it would be legal for Members to issue compulsory licenses for the production and export of cheap generic copies of patented medicines [sic] to poor countries unable to manufacture drugs.” *Id.* “WTO Members agreed to [make] the TRIPS amendment [permanent] in late 2005. Only nine countries have ratified it so far . . . .” *Id.*; *Kenyan Parliament Rejects Patent Law Amendments, Preserves TRIPS Flexibilities*, BRIDGES WEEKLY TRADE NEWS DIGEST (Int’l Centre for Trade and Sustainable Dev.), Sept. 19, 2007, <http://www.ictsd.org/weekly/07-09-19/story3.htm> (noting that “[a]ccording to the United Nations, 1.3 million people are living with HIV/AIDS in Kenya[ ]” and quoting Ellen t’Hoen of Médecins San Frontières, “our ability to provide AIDS medicines to over 10,000 people in Kenya depends on the availability of affordable generic medicines . . . [which] would have been in jeopardy if the amendments had gone through”) (brackets in the original).

<sup>359</sup> Wolf, *supra* note 79.

<sup>360</sup> *Id.*

intellectual property is an item of global trade,<sup>361</sup> which according to TRIPs it is, then effective globalization demands that the owners of cultural goods be guaranteed a predictable level of protection for their goods.

Incidents such as the Neem tree saga reflect the dangers of failure to protect cultural products. The goal is not to prevent development but rather to ensure that at the very least right holders are compensated for what has been deemed intellectual property by all TRIPs signatories. The Wine Agreement is a step in the right direction but the United States must take greater strides towards developing a globally accepted substantive regime governing protection of geographical indications to be compliant with the TRIPs *acquis*.

The debate must now shift focus from whether or not extension is beneficial to what form it should take. For example, decisions must be made as to the form of the multilateral and national registers, the consequences of registration, the duration and renewals of registrations and the modifications and withdrawals of notification and registrations and the fees and costs. Conceding that New World Members are satisfied with the status quo, if any progress is to be made the *demandeurs* must be prepared to take the lead and push for greater comity to balance the forces of globalization.

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<sup>361</sup> See Long, *supra* note 64, at 240 (discussing intellectual property as a utilitarian object of trade).