Nothing but a GI Thing: Geographical Indications under EU Law.

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Nothing but a GI Thing:
Geographical Indications under EU Law

Annette Kur∗ and Sam Cocks†

I. AN OVERVIEW OF THE EU REGULATORY REGIME
FOR GEOGRAPHICAL INDICATIONS

Since 1992, the EU has effected protection of geographical
indications (hereinafter GIs) for foodstuffs and agricultural
products via a special GI Regulation (hereinafter GI-R)
establishing a unitary regulatory regime for GIs binding upon all
the member nations of the European Union.1 The EU has also
established separate protection schemes for GIs relating to wines,2
spirits,3 and mineral waters.4 In the absence of preexisting
protection for a given GI, EU law also permits the registration of a
GI as a certification mark, or collective mark, under both the

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1 Council Regulation 2081/92, On the Protection of Geographical Indications and
Designations of Origin for Agricultural Products and Foodstuffs, 1992 O.J. (L 208) 1
(EC), superseded by Council Regulation 510/2006, On the Protection of Geographical
Indications and Designations of Origin for Agricultural Products and Foodstuffs, 2006
O.J. (L 93) 12 (EC).
2 See Commission Regulation 753/2002, arts. 28–33, 2002 O.J. (L 118) 1, 14–18 (EC);
Council Regulation 1493/1999, On the Organisation of the Market in Wine, arts. 50–53,
1999 O.J. (L 179) 1, 27–29 (EC).
3 See Council Regulation 1576/89, Laying Down General Rules on the Definition,
Description, and Presentation of Spirit Drinks, 1989 O.J. (L 160) 1 (EC).
national law of member nations, and the Community Trademark Regulation.\(^5\)

The regulatory regime the GI-R established protects only GI terms that qualify as “designation[s] of origin” or “geographical indication[s],” and that have not become generic.\(^6\) In order to qualify for protection as a Protected Designation of Origin (hereinafter PDO) or Protected Geographical Indication (hereinafter PGI), a product must comply with specifications for describing the “principal physical, chemical, microbiological or organoleptic characteristics” of the product, and also list the geographic area from which it originates that gives rise to such a product’s unique proprietary traits.\(^7\)

In the case of a product originating from an EU Member State, a party seeking to register a GI must file an application for registration with the relevant authorities in the pertinent Member State.\(^8\) In the case of a product originating from a country that is not a member of the EU, a party seeking GI registration must file an application with the EU Commission, either directly or through the relevant authorities in the appropriate nation not part of the EU.\(^9\) Authorities scrutinize applications for GI protection closely. In the case of a product originating from EU Member States, competent authorities in the appropriate member state conduct an initial examination of the application,\(^10\) before the EU Commission undertakes a second assessment of the application.\(^11\) With respect to a product originating from a country not a member of the EU, the EU Commission conducts the sole examination of an

\(^5\) See Council Regulation 510/2006, art. 14, 2006 O.J. (L 93) at 20. EU law codifies the Community Trademark Regulation as Council Regulation 40/94, On the Community Trade Mark, 1994 O.J. (L 11) 1 (EC). EU law prohibits the registration of trademarks that conflict with registered GIs. See Council Regulation 510/2006, art. 14, 2006 O.J. (L 93) at 20. If, however, a trademark obtained bona fide protection in an EU Member State prior to registration of a conflicting GI, or prior to January 1, 1996, the trademark may coexist alongside the duplicative, and thus conflicting, registered GI. Id.


\(^7\) Id. art. 4, 2006 O.J. (L 93) at 15.

\(^8\) Id. art. 5(4), 2006 O.J. (L 93) at 16.

\(^9\) Id. art. 5(9), 2006 O.J. (L 93) at 16.

\(^10\) Id. art. 5(5), 2006 O.J. (L 93) at 16.

\(^11\) Id. art. 6, 2006 O.J. (L 93) at 16–17.
application for GI protection if the product in question originates from a country that is not a member of the EU.\(^{12}\)

If an application for GI registration survives this scrutiny, authorities publish the PDO or PGI sought in the application, together with the specifications for such a GI, in the *Official Journal of the European Union*.\(^{13}\) The GI-R establishes a period of six months following the date of publication within which parties may object to a proposed PDO or PGI.\(^{14}\) The GI permits both a nation—regardless of whether it is an EU Member State—or a natural or legal person having a legitimate interest to file an objection.\(^{15}\) The GI-R mandates that natural or legal persons established or resident in an EU Member State other than the State from which a proposed GI originates file any objections with the competent authorities in their home Member State within a limited and reasonable period that State establishes, which cannot exceed six months.\(^{16}\) Nations—regardless of whether they are members of the EU—and natural or legal persons established or resident in countries that are not members of the EU must file an objection directly with the EU Commission within six months of the publication of the proposed PDO or PGI in the *Official Journal of the European Union*.\(^{17}\)

If a proposed GI survives the aforementioned examination and objection process, the EU Commission will register the GI as PDO or PGI.\(^{18}\) Following successful registration, the GI-R authorizes producers situated in a now-protected geographic region to employ the acronyms “PDO” or “PGI” in the marketing of their agricultural and foodstuff products that conform to the specifications of the newly registered GI.\(^{19}\)

Arguably of greater import than what registration allows, however, is what it prohibits. The GI-R proscribes direct or

\(^{12}\) Id.
\(^{13}\) Id.
\(^{14}\) Id. art. 7, 2006 O.J. (L 93) at 17.
\(^{15}\) Id.
\(^{16}\) Id.
\(^{17}\) Id.
\(^{18}\) See id.
\(^{19}\) Id. art. 8, 2006 O.J. (L 93) at 18.
indirect commercial use of the name of a registered GI that either exploits the reputation of the registered GI, or likens unprotected merchandise to a product the GI protects.\textsuperscript{20} It also bars any “misuse, imitation or evocation” of a registered GI, even where an unprotected product indicates its true origin, or where qualifiers such as “method,” “style,” and “type” accompany the name of an unprotected product.\textsuperscript{21} Finally, and most broadly, the GI-R proscribes both “any other false or misleading indication as to the provenance, origin, nature or essential qualities” of a product that a registered GI does not protect,\textsuperscript{22} and “any other practice liable to mislead” consumers regarding products a registered GI protects.\textsuperscript{23}

II. THE EU GI REGIME’S COMPLIANCE WITH THE PROVISIONS OF THE TRIPS AGREEMENT

The United States and Australia initiated dispute settlement proceedings against the EU before the World Trade Organization [hereinafter WTO] in response to the regulatory scheme the 1992 incarnation of the GI-R engendered.\textsuperscript{24} The United States and Australia contended that the regulatory regime the 1992 GI-R established was heavily biased in favor of GIs originating from EU Member States at the expense of GIs originating from other countries, and that its treatment of trademarks following registration of subsequent conflicting GIs was unjust.\textsuperscript{25}

\textsuperscript{20} Id. art. 13(1)(a), 2006 O.J. (L 93) at 19.
\textsuperscript{21} Id. art. 13(1)(b), 2006 O.J. (L 93) at 19.
\textsuperscript{22} Id. art. 13(1)(c), 2006 O.J. (L 93) at 19.
\textsuperscript{23} Id. art. 13(1)(d), 2006 O.J. (L 93) at 19.
\textsuperscript{24} The United States initiated its case in June 1999. Request for Consultations by the United States, European Communities—Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs, WT/DS174/1 (June 1, 1999) [hereinafter American Complaint]. In 2003, the WTO combined the American complaint with a parallel Australian complaint and created a panel to hear the unified complaints as one action. See Constitution of the Panel Established at the Requests of the United States and Australia, European Communities—Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs, ¶ 1, 3, WT/DS290/19 (Feb. 24, 2004).
\textsuperscript{25} See Request for Consultations by Australia, European Communities—Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs, WT/DS290/1 (Apr. 23, 2003); American Complaint, supra note 24 (“The European Communities’ Regulation 2081/92, as amended, does not provide national treatment with
The United States and Australia took particular issue with the fact the 1992 GI-R effectively forced nations not among the EU Member States that wished to register GIs in the EU to adopt the EU’s regulatory scheme for protection of GIs on their own shores as a precondition of receiving GI protection in the EU. To wit: the 1992 incarnation of the GI-R proscribed the registration and protection of a GI originating from nation not a member of the EU unless the non-EU country seeking registration and protection could meet three explicit conditions. First, the nation seeking registration had to be capable of offering guarantees regarding the GI analogous to those obtained through the screening of an application for GI registration carried out by the competent authorities in an EU Member State. Second, it had to have inspection procedures relating to the GI equivalent to those established for GIs in the EU. Finally, the nation had to be “prepared to provide protection equivalent to that available in the [EU] to corresponding agricultural products for foodstuffs coming from the [EU].” While the EU amended the 1992 GI-R on various occasions, it neither eliminated nor modified the stringent requirements non-EU nations had to meet in order to register and receive protection for GIs originating from their shores in the EU.

The WTO Panel responsible for resolving the dispute over the 1992 version of the GI-R found that the GI-R’s provisions relating to the registration of GIs originating from non-EU countries in the EU impeded equal access to protection and therefore violated the
national treatment principle of the TRIPs Agreement.\textsuperscript{32} The Panel, however, also found that the 1992 GI-R’s requirement that terms previously registered as trademarks must coexist with identical terms subsequently registered as GIs complied with the fair use provisions of the TRIPs agreement,\textsuperscript{33} and consequently rejected this aspect of the American and Australian complaints.\textsuperscript{34}

The decision of the WTO Panel report led the EU to amend the GI-R in 2006, so that the regulation now affords all GIs equal protection, regardless of their national provenance.\textsuperscript{35} Even the current, revised GI-R of 2006, however, treats GIs originating from countries outside the EU differently than those originating from an EU Member State: as a matter of practicality, when a country that is not a member of the EU and has not instituted a regulatory regime for GIs, or a party hailing from such a country, seeks to register a GI for protection under EU law, the EU Commission scrutinizes the application directly.\textsuperscript{36} In the case of a GI originating from an EU Member State, however, the competent authorities in the relevant State examine the application first, before the Commission conducts its own inquiry.\textsuperscript{37}


\textsuperscript{33} See TRIPs, supra note 32, arts. 16(1), 17.

\textsuperscript{34} See WTO Panel Report on Origins Regulations, supra note 26, ¶¶ 7.687–.688.

\textsuperscript{35} See Council Regulation 510/2006, On the Protection of Geographical Indications and Designations of Origin for Agricultural Products and Foodstuffs, 2006 O.J. (L 93) 12 (EC) (eliminating the hindrances to registration of GIs originating from nations not members of the EU that the 1992 incarnation of the GI-R established).

\textsuperscript{36} Id. art. 5(9), 2006 O.J. (L 93) at 16.

\textsuperscript{37} Id. art. 5(4)–(5), 2006 O.J. (L 93) at 16. For an overview of the regulatory regime for GIs that the current, revised 2006 establishes, see supra Part I.
III. THE ROLE OF THE EU’S GI REGULATORY REGIME IN THE WORLD MARKETPLACE.

A. What is the Debate over the EU’s GI Regulatory Regime About?

The topic of GIs often engenders vigorous debates between Americans and Europeans, but it should not be difficult to reach accord, at least on certain fundamental points, regarding the relationship GIs and trademarks. First, correct and complete indications of geographical origin on products benefit both producers and consumers, particularly when such indications convey a sense of the unique qualities that the region from which a product originates imparts on the product, as is typically the case with foodstuffs and other agricultural products. Consequently, in order to protect producers and consumers alike, authorities must prohibit the misleading use of such information. Second, under the fair use provision of the TRIPs agreement, adhering nations are entitled to preclude holders of trademarks synonymous with or similar to descriptive terms, including terms indicating commercial origin, from objecting to others using such terms in a fair and accurate manner to describe the qualities and origins of their own products.

The debate over GI protection, which has not subsided much even after the WTO Dispute Resolution Panel delivered its report and the EU amended its GI-R, thus revolves around two issues: first, whether protection of GIs should extend beyond proscribing deceptive or misleading use of GIs. That is, whether other countries should adopt a GIs protection scheme analogous to the

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38 See Justin Hughes, Champagne, Feta, and Bourbon: the Spirited Debate about Geographical Indications, 58 HASTINGS L.J. 299, 305 (2006) (“[G]eographical indications . . . communicate a product’s geographical source and non-geographic qualities of the product that are related to its geographic origin.”).
39 See generally id. at 301 (noting that protecting GIs protects consumers from misinformation and producers from unfair competition at the hands of unscrupulous rivals in the marketplace).
40 See TRIPs, supra note 32, art. 17.
EU’s, and whether authorities should amend the GI provisions in TRIPs\textsuperscript{43} to extend the heightened protection the Agreement affords to GIs identifying wines and spirits\textsuperscript{44} to all goods bearing GIs.\textsuperscript{45} Second, whether the requirement of the EU’s GI regulatory scheme forcing terms previously registered as trademarks to coexist with identical terms subsequently registered as GIs places such trademarks at a greater disadvantage than what the fair use provision of the TRIPs Agreement\textsuperscript{46} tolerates. This Article examines both issues in the text that follows.

**B. Should the World Assent to “Export” of the EU’s GI Regulatory Regime?**

Despite the fact that the official EU position on GI protection in international negotiations appears, from the outside, to support potent protection resolutely and unequivocally, sentiment regarding GI protection among the individual EU Member States is far from homogeneous. The Member States advocating strong GI protection, which were also instrumental in establishing the EU’s current GI regulatory scheme, are primarily Mediterranean countries with enduring agricultural traditions.\textsuperscript{47} As the EU admitted a number of Eastern European nations as Member States in recent years, however, many of these nations, which have their own strong agricultural traditions, joined the Mediterranean countries in supporting vigorous GI protection. Northern European nations with weaker agricultural heritage such Germany, meanwhile, remained disinterested with, and even wary of, strong GI protection.\textsuperscript{48}

Moreover, from the perspective of an ordinary EU consumer, the marketing effect of products bearing “PDO” or “PGI” GI indications—or their equivalents in other languages—is modest at

\textsuperscript{43} TRIPs, supra note 32, arts. 22–24.

\textsuperscript{44} See id. art. 23.

\textsuperscript{45} See id. art. 22 (addressing GIs used in connection with all goods other than wines and spirits).

\textsuperscript{46} Id. art. 17.

\textsuperscript{47} See Hughes, supra note 38, at 318 n.106 (noting that France, Italy, and Spain have the strongest GI traditions).

\textsuperscript{48} See generally id. at 344 (noting that in 2003, the EU awarded France twice as much money as Germany in agricultural subsidies).
best. Consequently, one may question whether the ability of a strong GI regulatory regime to bolster the sales figures of products bearing the names of registered GIs adequately counterbalances the significant costs of implementing and maintaining such a complex scheme. Of course, some well-known products bearing the names of protected GI terms, such as Roquefort cheese, Prosciutto di Parma, and Champagne, perform quite well on the market, but in most instances, consumers recognized such items as preeminent products in their respective fields well before the EU introduced its initial GI protection regime in 1992.

While the EU GI protection regime’s capacity to increase sales is dubious, its ability to squelch anything approaching a competitive challenge implicating a protected GI is proven and guaranteed. The EU carefully crafted the provisions of the GI-R delineating the scope and content of GI protection to proscribe even the slightest allusion to a registered GI in connection with unprotected merchandise, let alone actual use of a registered GI for deceptive purposes. EU courts, meanwhile, have proved surprisingly accepting of this stance. The European Court of Justice (hereinafter ECJ)—which has trended towards preserving freedom of competition and consumer choice when confronted with exaggerated claims seeking trademark protection—is notably tolerant of demands for vigorous GI protection, as the court illustrated in its decisions in the Parma Ham and Grana

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49 See generally id. at 343 (noting that despite the prevalence of GIs in France, agricultural contributions to the country’s GDP continue to decline).

50 EU law protects GIs relating to wines, spirits, and agricultural products and foodstuffs under three distinct regulatory schemes. See supra notes 1–4 and accompanying text.


52 Council Regulation 510/2006, art. 13(1), 2006 O.J. (L 93) at 19. For a discussion of the full scope of the substantial protections the EU affords to registered GIs, see supra notes 20–24 and accompanying text.

53 Case C-108/01, Consorzio del Prosciutto di Parma v. Asda Stores Ltd., 2003 E.C.R. 1-5121, 1-5194–95 (proscribing the slicing and packaging of ham marketed under the GI-protected term “Prosciutto di Parma” beyond the confines of the Italian region of Parma, the only region authorized to produce hams bearing such a name).
Padano” cases. In a typical case—namely one not implicating protected GIs—the ECJ would likely have dismissed without much consideration contentions that commercial distributors outside of the Italian region of Parma must neither slice nor package Prosciutto di Parma,55 and that commercial distributors outside of the Italian regions authorized to produce cheese bearing the “Grana Padano” GI must not grate such cheese,56 because only the denizens of these regions possess the unique skills necessary to perform these tasks properly. In the cases implicating these famous registered GIs, however, the court elected to accept these assertions,57 and in doing so, effectively granted to local producers not only the exclusive right to produce goods bearing terms protected as registered GIs, but also the exclusive right to process such specialties.58

Two German cases concerning the crown jewel of all GIs, Champagne, serve as cautionary examples of the reach of GI protection into the arena of commercial speech. The first case concerned a computer retailer’s use of the phrase “Champagner bekommen, Sekt bezahlen” (“Get champagne, pay for sparkling wine”) in advertisements intended to connote that the retailer was

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58 However, a more liberal attitude is reflected in a recent decision that was handed down after completion of this manuscript. Case C-381/05, De Landtsheer Emmanuel SA v. Comité Interprofessionnel du Vin de Champagne and Veuve Cliquot Ponsardin SA, (Apr. 19, 2007) (available at http://curia.europa.eu/jurisp/cgi-bin/form.pl?lang=EN&Submit=rechercher&numaff=C-381/05). The issue referred to the ECJ arose from an injunction filed against a brewery claiming that its beer was brewed according to the traditional champagne method. Id. As a legal basis, the claimants relied on Art. 3a (1) (f) of the directive on comparative advertisement, stipulating that for products with designation of origin, a comparison must relate “in each case to products with the same designation.” Id. Nevertheless, the ECJ held that the provision “must be interpreted as meaning that, for products without designations of origin, any comparison which relates to products with designations of origin is not impermissible.” Id. (emphasis added).
offering quality products at bargain prices. The second case pertained to a beverage producer’s use of the phrase made “aus der Champagnerbirne” (“out of champagne pears”) on the labeling of one of its products, which it in fact produced out of “champagne pears.” In both cases, the German Federal Court of Justice sided with the French champagne producers, and barred any use of the word “champagner” (“champagne”) in both the computer retailer’s advertisements, and the beverage producer’s product labeling. In the case relating to beverage labeling, neither the fact that Germans had recognized the fruit from which the beverage maker produced its drink as the “champagne pear” for over a century, nor the fact that German law recognized this fruit under this very name as a protected plant variety dissuaded the court from ruling in favor of the French champagne producers.

Fortunately for growers of the “champagne pear,” the German Federal Court of Justice merely proscribed use of the term “champagne pear” on beverage labels, and did not go so far as to bar the sale of fruit under this term altogether. Others, however, may not be so lucky. Italian vintners have since ancient times produced wines from a grape variety known interchangeably as “Tocai friulano” or “Tocai Italiano.” The 2002 version of the EU Regulation governing the use of GIs related to wine, however, mandated that Italian producers could only use the GIs “Tocai friulano” and “Tocai Italiano” on their wines until March 31, 2007, for after this date, any derivations of the GI “Tokaj,” which

63 See id. at 3.
64 See id. at 11.
65 See id. at 7.
Hungarian producers use to market a sweet, amber-colored dessert wine similar to French Sauternes, could attach only to wines originating from Hungary. The Italian vintners sued, but the ECJ upheld the sunset provision on Italian use of the GIs “Tocai friulano” and “Tocai Italiano,” despite the fact that the Italian wines bearing the names of these GIs were dry white wines akin to a Pinot Grigio, rather than sweet, amber-hued dessert wines.

Arguably, the sad tale of the Italian “Tocai” vintners—like that of the German computer retailer and beverage producer—presents too somber a picture of the EU’s GI protection regime, for the regime has positive aspects as well, particularly in the context of protecting the interests of the European agricultural sector. Whatever the benefits of the EU’s regime for regulating and protecting GIs may be, however, they lack the substance and tangibility necessary to elevate the EU regime to the level of either a model that other nations should embrace, or a blueprint for an international GI protection scheme established through the TRIPs Agreement.

The question of whether the EU’s framework for GI protection should serve as the blueprint for an international GI protection scheme implemented through the TRIPs Agreement is a pertinent one, because the EU seeks to extend the heightened protection the TRIPs Agreement presently affords only to GIs concerning wines and spirits to GIs pertaining to all products. The international community should regard the potential establishment of an international regulatory scheme conferring prima facie protection upon all registered GIs with great trepidation. In order for such a regime to be effective, it would need to rely upon a huge bureaucracy capable of scrutinizing applications for GI protection, verifying GI specifications, and monitoring use of protected GIs. The probability of the benefits reaped from such an international

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68 Case C-347/03, Regione Autonoma Friuli-Venezia Giulia, slip op. at I-31–32.
69 See id. at I-16.
70 See Hughes, supra note 38, at 339.
71 See TRIPs, supra note 32, art. 23. For a discussion of the heightened standard of protection Article 23 of the TRIPs Agreement affords to GIs related to wines and spirits, see Hughes, supra note 38, at 317–19.
72 See Hughes, supra note 38, at 349–50.
GI protection regime fully countervailing the substantial costs inherent in establishing and maintaining the aforementioned bureaucracy is, at best, dubious.

Moreover, the assertions on the part of the EU and other nations with vested interests in a worldwide regime of vigorous GI protections—such as Switzerland—that such a scheme would aid developing countries in expanding their economies by ensuring the maintenance of knowledge bases related to the growth and manufacture of traditional indigenous products are unfounded and inherently flawed. GI protections serve little purpose for producers from developing countries unless or until such producers create a name for their products in the global marketplace, a name for which wealthier foreign consumers are willing to pay a premium. Consequently, producers in developing countries should focus their efforts on the cultivation of foreign consumer demand through the fostering of brand awareness, rather than on protecting a brand for which no recognition exists through GI

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73 See id. at 330, 369–73.
74 See id. at 370.
75 See id. (citing the National Federation of Coffee Growers of Columbia’s forty-year-long “Juan Valdez” marketing campaign, crafted to convince North America’s coffee drinkers of the superiority of Columbian coffee, as an example of producers in a developing country increasing consumer demand through fostering brand recognition, rather than through preemptively seeking GI protection).
76 See id. at 372.
registration. In the case of products both foreign and domestic for which brand recognition and consumer demand already exist, the extant provisions of the TRIPs Agreement barring commercial misrepresentation of geographical origin\textsuperscript{77} are adequate to protect a product’s market position against the intrusions of unscrupulous, would-be interloping competitors.\textsuperscript{78}

Of course, the EU and other like-minded nations would surely point to the critical juncture, when aspiring competitors of a product bearing geographical branding recognize the value of such branding before consumers widely come to recognize the branding as connoting a particular product’s origin in a specific geographical region, as exemplifying the need for strong GI protections. There is no denying that during this vulnerable phase, unprincipled competitors might attempt to appropriate burgeoning designations of origin and affix them to goods that do not originate from the regions to which such designations rightfully belong.\textsuperscript{79} If such actions succeed, nascent designations of origin might suffer dilution, or even fall victim to genericide.\textsuperscript{80} The risk of these eventualities transpiring, however, hardly justifies the institution of an oversized and excessively prophylactic international GI protection regime. The international community should instead implement more-exacting provisions proscribing the use and registration of brands that convey connotations of geographical origin in bad faith, and concurrently increase the penalties it levies against the producers of goods bearing disingenuous geographical implications that precipitate consumer deception.

Even when a geographical term becomes generic in a foreign country before a producer is able to establish the original geographical origins of such a term as a component of its brand, however, the producer still does not necessarily lose the marketing potential of the term as a GI permanently. In such a case,

\textsuperscript{77} See TRIPs, supra note 32, art. 22.
\textsuperscript{78} See Hughes, supra note 38, at 372.
\textsuperscript{79} See generally id. at 371 (noting that despite the increasing popularity of Rwandan coffee in the international marketplace, both the nation of Rwanda and its coffee producers have yet to seek GI protection for the term “Rwandan coffee”).
\textsuperscript{80} See, e.g., 2 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition § 12:1 (4th ed. 2007) (addressing genericide).
producers should redirect the extensive time and significant capital that they must invest in marketing campaigns intended to increase brand recognition, and thereby bolster consumer demand for their products, into new marketing campaigns designed to foster awareness among consumers of the superior quality of genuine, authentic goods that actually originate from the region giving rise to the now-generic geographical term, as compared to the inferior, inauthentic products that unscrupulous competitors disingenuously market using the name unprotected term. While it is unlikely that such redoubled marketing efforts would alter the purchasing decisions of budget-minded consumers, they likely would prove quite effective at retaining or regaining the allegiance of sophisticated, connoisseur consumers, and consequently prove as lucrative as marketing efforts intended to promote brand awareness of a non-generic geographical term.

C. Does the EU’s Current GI Regime Comport with the Provisions of TRIPs?

As discussed previously, the WTO Dispute Resolution Panel presiding over the conflict between the United States and Australia on the one hand and the EU on the other regarding GI protection upheld the provisions of the 1992 GI-R mandating that terms previously registered as trademarks must coexist with identical terms subsequently registered as GIs as comporting with the terms of the TRIPs Agreement. At first glance, this decision might appear imbalanced, as both the 1992 and 2006 versions of the EU’s GI regulatory regime proscribe the subsequent registration as a trademark of any term the EU has previously registered as a GI. One could argue, however, that the WTO Dispute Resolution Panel’s decision is merely a consequence of the fact that terms that possess geographic or otherwise descriptive meanings never lose such meanings altogether, even when they come to fulfill

81 See supra notes 74–78 and accompanying text.
82 See supra notes 33–34 and accompanying text.
secondary functions such as indicating the specific commercial origin of a product.\textsuperscript{84}

Claims of exclusive proprietary rights to the use of such terms will never withstand scrutiny, because these claims inherently seek to bar the use of such terms by others outright, even in accordance with their primary linguistic meaning.\textsuperscript{85} All that holders of proprietary rights in such terms can demand is the implementation of precautions guarding against instances of consumer confusion precipitated by the divergent uses of such terms.\textsuperscript{86} Conflicts between preexisting trademarks and subsequently registered GIs, however, differ from typical quarrels over the fair use of trademarked terms conveying descriptive meanings in one crucial respect: producers lawfully entitled to evoke GIs in conjunction with their goods do not merely rely on a general fair use defense, but rather invoke their own affirmative rights to use the term in question, which they acquired upon completion of the GI registration process.\textsuperscript{87} The practical consequences of this distinction, though, are insubstantial. There is no evidence that conflicts between preexisting trademarks and identical subsequently registered GIs arise in a significant number of cases. The EU even argued—albeit unsuccessfully—before the WTO Dispute Resolution Panel that it specifically crafted its GI regulatory regime in such a way that it precludes conflicts between already extant trademarks and a subsequently registered GI.\textsuperscript{88}

In the EU, problems relating to the coexistence of multiple marks implicating the same designation of geographical origin manifest themselves as conflicts between trademarks and trade names with far greater frequency and severity than as clashes between extant trademarks and subsequently registered GIs. European trademark law, at least as the ECJ interprets it, adopts a relatively permissive stance regarding the relationship between

\textsuperscript{84} See, e.g., McCarthy, supra note 80, § 11:45 (noting that descriptive, or geographically descriptive, use of a trademarked term constitutes the classic example of fair use of a trademarked term).

\textsuperscript{85} See id.

\textsuperscript{86} See id.

\textsuperscript{87} See Council Regulation 510/2006, art. 13, 2006 O.J. (L 93) at 19 (delineating affirmative rights protecting registered GIs against multiple forms of misuse and infringement).

\textsuperscript{88} See WTO Panel Report on Origins Regulations, supra note 26, ¶ 7.541.
trademarks and trade names that allows preexisting but unregistered and unestablished trade names to coexist alongside subsequently registered trademarks. It is likely no mere coincidence that the case in which the ECJ espoused this position concerned the notorious conflict between Anheuser-Busch, owner of a number of trademarks based on the words “Budweiser” and “Bud,” and the Czech brewery Budějovický Budvar, which employed a number of trade names implicating various derivations of the root term “Bud.” The ECJ ruled that even though Budějovický Budvar was incapable of demonstrating that it had a valid right to use trade names derived from the root word “Bud” in Finland—the nation in which the conflict arose—at the time that Anheuser-Busch registered its trademarks based on the words “Budweiser” and “Bud” in that country, the EU’s Trademark Directive nonetheless mandated that Anheuser-Busch continue to tolerate Budějovický Budvar’s ongoing use of trade names derived from the root word “Bud,” including use of such trade names to indicate the commercial origin of products. In the ECJ’s view, regardless of whether Finnish national law protected Budějovický Budvar’s use of trade names derived from the root word “Bud,” such use qualified as an “existing prior right” under Article 16 of the TRIPs Agreement and was therefore permissible.

Scholars have yet to explore fully the ramifications of the ECJ’s ruling in the dispute between Anheuser-Busch and

90 For a history of the litigation leading up to the ECJ’s ruling, see id. at I-7–10. When what is now the Czech Republic was under Austro-Hungarian rule, the government and the populace alike referred to the city home to the Czech brewery Budějovický Budvar—called Budějovice in Czech—as “Budweis.” Individuals in certain areas still know the city by its Austro-Hungarian name.
91 Council Directive 89/104, To Approximate the Laws of the Member States Relating to Trade Mark, 1989 O.J. (L 40) 1 (EC). The ECJ premised its decision on a portion of Article 6 of the Directive. Id. at art. 6(1)(a), 1989 O.J. (L 40) at 5 (establishing that trademark owners may not proscribe third parties from using their own names or addresses in the course of trade).
92 See Case C-245/02, Anheuser Busch, slip op. at I-17–18, 21.
93 Id. at I-21. Article 16 of the TRIPs Agreement provides that the rights it affords to trademark owners “shall not prejudice any existing prior rights, nor shall they affect the possibility of Members making rights available on the basis of use.” TRIPs, supra note 32, art. 16(1).
Budějovický Budvar on the relationship between trademarks and trade names under the EU’s legal system. It is clear, however, that the ECJ’s ruling in this case invites erosion of “the exclusive right to prevent all third parties . . . from using in the course of trade identical or similar signs for goods or services which are identical to or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion” that the TRIPs Agreement affords to lawful trademark owners. Moreover, the EU will likely find grappling with the weighty and uncertain consequences of the ECJ’s decision far more difficult than begrudgingly revising the GI-R in the wake of the WTO Dispute Resolution Panel’s decision addressing the grievances of the United States and Australia related to the inequities of the EU’s GI protection scheme.

This Article does not attempt to evaluate whether the rule the ECJ delineated in its Anheuser-Busch decision regarding the relationship between trademarks and trade names indeed comports with the trademark provisions of the TRIPs Agreement. Proceeding under the assumption that the ECJ’s Anheuser-Busch rule complies with the requirements of the TRIPs Agreement, however, the international community still must agree upon concrete, tangible criteria for determining when use of a trade name or registered GI remains permissible despite the presence of a preexisting similar or identical trademark and the likelihood of consumer confusion that such a situation is liable to engender, and when protecting producers and consumers alike from the misallocation of resources mandates qualifying, or even prohibiting outright, commercial use of trade names and GIs that clash with similar or identical extant trademarks. The EU, unfortunately, has done little to draw attention to and advance this issue, either in its Member States, or in the international community.

94 TRIPs, supra note 32, art. 16(1).
95 See Case C-245/02, Anheuser Busch, slip op. at I-21.
98 See TRIPs, supra note 32, arts. 15–21.
99 See Case C-245/02, Anheuser Busch, slip op. at I-21.