

Reconstituting the 'Conflict' between Geographical Indications and Trademarks

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I. Introduction

Much has been said on the subject of Geographical Indications (GIs) and trademarks, and the turbulent relationship between these two ‘*quibbling siblings*’.¹ The ‘conflict’ between the two is often premised on their conceptual similarity – that both GIs and trademarks are simply different means of enabling consumers to distinguish between goods through symbols that indicate a product’s quality. While GIs seek to do this by using a symbol that links the product to a territory that is reputed for those goods, trademarks use symbols that link the product to an undertaking’s reputation and history. As a consequence, when a particular word is claimed for protection by both GIs and trademark, there arises a contest of priority – which of the two ought to be permitted exclusive use of this word?

Any resolution of this conflict is almost always advocated based on value-judgments. There are some who argue in favour of the ‘*first in time, first in right*’ approach, whereby the symbol that was registered earlier would be entitled to protection. To do so, they rely heavily on the value of private property and the unwarranted expropriation that would occur if a vested property right – such as a registered trademark – were to be arbitrarily annulled by the State, in order to enable a later claim to the symbol in question. On the other hand, there are those who argue that GIs ought to be given precedence, even over a prior, vested trademark. This argument is premised on the value of protecting cultural heritage and enabling rural development in the face of encroaching globalization – a feat that only GIs can achieve.

¹ See D. Gangjee, *Quibbling Siblings: Conflicts between Trademarks and Geographical Indications*, 82 CHICAGO-KENT LAW REVIEW 1253 (2007); F. Gevers, *Conflicts between trademarks and geographical indications—the point of view of the International Association for the protection of industrial property (AIPPI)*, WIPO SYMPOSIUM ON THE INTERNATIONAL PROTECTION OF GEOGRAPHICAL INDICATIONS, 143 (1995); H. Harte-Bavendamm, *Geographical indications and trademarks: Harmony or conflict?*, WIPO SYMPOSIUM ON THE INTERNATIONAL PROTECTION OF GEOGRAPHICAL INDICATIONS (1999); J. Hughes, *Champagne, Feta, and Bourbon: The Spirited Debate About Geographical Indications*, 58 HASTINGS L.J. 299 (2006); A. Kur & S. Cocks, *Nothing but a GI Thing: Geographical Indications under EU Law*, 17 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 999 (2007).

This paper seeks to argue against the need for such value-judgments. Instead, it attempts to unpack the notions of trademark and GIs and prove that, although they serve a similar purpose, they are conceptually different. While GI's rely only on the *descriptive* element of a word, trademarks rely on its *secondary meaning*. As a consequence, this paper argues that it is impossible to have a 'conflict' between these notions for two reasons. *First*, because in a properly functioning regime of IPR, the words that would be used as GIs would not be capable of registration as trademarks; and *second*, that even if such words were to be registered as trademarks, their use as GIs would not conflict with the exclusivity granted to trademarks, due to the fair use exception permitted for descriptive terms. By doing so, this paper attempts to redefine the epistemological arena within which trademarks and GIs have been paired off against one another and prove that the two notions are not the '*quibbling siblings*' they have been made out to be, but only indifferent strangers, living separate lives.

II. The Impossibility of an Overlap: The 'Separate Lives' of Trademarks and GIs

The 'distinctiveness' of a word or symbol lies at the heart of trademark protection.² Without this feature, a designation is incapable of being considered a trademark. Trademark law recognizes that this distinctiveness can be achieved through different paths, and it therefore creates different categories of designations, each of which possess separate standards to prove their symbol's distinctiveness. The first category consists of inherently distinctive marks – it is comprised of fanciful, arbitrary and suggestive marks. For the symbols falling within this category, the law automatically presumes their distinctiveness, and therefore their validity as trademarks. The second category consists of non-inherently distinctive marks and includes

² M.P. McKenna, *Teaching Trademark Theory Through the Lens of Distinctiveness*, 52 ST. LOUIS UNIV. LJ, 2008, at 843, 851.

words that are ordinarily descriptive. For words that fall within this category, the burden lies on the claimant to prove that they have acquired a ‘*secondary meaning*’, i.e. they have acquired distinctiveness due to their consistent use over time, thereby enabling potential consumers to use such symbols to identify the claimant’s products. The final category is that of symbols with no distinctiveness. This category is comprised of generic words, which are incapable of trademark protection.³

The realm of the so-called ‘conflict’ between GIs and trademarks lies over words that are geographically descriptive and thereby fall within the category of non-inherently distinctive marks. Thus, in order for this conflict to exist, it must first be established that such words are capable of acquiring a secondary meaning. However, as will be shown below, for geographical names that have the potential of being considered GIs, the acquisition of such a secondary meaning is impossible. This is because the protection of such names as GIs is dependent on their *generic* nature, i.e. their ability to link a product’s quality to an entire geographical region and therefore, as a logical corollary, their inability to link the product to a specific, individual producer. For instance, if the region of Darjeeling is renown to the world for its high-quality tea, thereby rendering its name capable of GI protection, it is simultaneously impossible for an individual tea-manufacturing entity to acquire distinctiveness in its use of the same word. The reason is simple. The consumers in the market already identify the designation ‘Darjeeling tea’ with the geographic region and *all tea-producers within it* (even if no GI has been registered for the name “Darjeeling”). Thus, irrespective of how consistently a single manufacturer of tea were to use the name, it could never acquire a secondary meaning in the eyes of the consumer that would link the word “Darjeeling” to that manufacturer, and that manufacturer alone.

³ Id.

The reasoning of the aforementioned argument finds implicit support in the works of several eminent jurists, who acknowledge that, in cases of “*geographical names that have commercial importance for a particular product, it will be impossible...to establish a secondary meaning for the name, that would grant the goods a distinctive character.*”⁴ Such reasoning has also been reflected in numerous cases. For instance, in *A. Baily & Co. v. Clark, Son and Morland*,⁵ the House of Lords turned down the applicant’s request to register “Glastonburys” as a trademark for the shoes and slippers manufactured by him. Observing that the presence of other manufacturers of shoes and slippers in Glastonbury deprived the applicant’s designation of any distinctiveness, Lord Atkin stated:

*“I myself prefer to say that, in circumstances like the present, where the applicant seeks to register the name of the town in which both he and competitors with himself are engaged in manufacturing the same class of goods, the name is incapable of being adapted to distinguish. It should at the outset be considered unregistrable.”*⁶

Similarly, in the *Liverpool Cable Co.* case,⁷ while rejecting the application to register the word “Liverpool” as a trademark for the manufacturers of an electric cable company for its lack of distinctiveness, the UK Court of Appeals noted:

“In considering such a mark as this, it seems important to bear in mind not only that Liverpool is a large manufacturing centre but also that it is a centre in which it is proved that cables are already being manufactured, and in which there is no reason to

⁴ KC Kailasam & R Vedaraman, *LAW OF TRADE MARKS AND GEOGRAPHICAL INDICATIONS*, 109 (2nd edn., 2005); VENKATESWARAN ON *TRADE MARKS AND PASSING OFF*, 261-262 (6th edn., 2015).

⁵ *A. Baily & Co. v. Clark, Son and Morland* 55 RPC 253 (1938).

⁶ *Id.*

⁷ *In re Liverpool Electric Cable Co. Ltd.’s Applications* 46 RPC 99 (1928).

*suppose there may not be other manufacturers of and dealers in cables in the future whose rights it is the duty of the Court to protect.”*⁸

In *Yorkshire Copper Works v. Registrar of Trade Marks*,⁹ the House of Lords extended this reasoning, finding that an application for a geographical name as a trademark was to be rejected even when the region in question *did not* possess manufacturers of the same product, but *merely the possibility* of possessing such manufacturers in the future. In that case, rejecting the applicant’s request for a trademark on the word “Yorkshire” in relation to copper tubes and fittings, the House observed:

*“[T]he more apt a word is to describe the goods of a manufacturer, the less apt it is to distinguish them: for a word that is apt to describe the goods of A, is likely to be apt to describe the similar goods of B. It is, I think, for this very reason that a geographical name is prima facie denied registrability. For, just as a manufacturer is not entitled to a monopoly of a laudatory or descriptive epithet, so he is not to claim for his own a territory, whether country, county or town, **which may be in the future, if it is not now, the seat of manufacture of goods similar to his own.**”*¹⁰ [Emphasis added]

The House went on to state that the only circumstances in which a geographical name could be registered as a trademark would be if the name in question was completely unrelated to the product in question *and* was of such a nature that it would never occur to any other manufacturer of the product to use the same name for his own products – such as “Monte Rosa” for cigarettes, “North Pole” for bananas, “Teneriffe” for boiler plates, or “Stone” for ale. Observations identical to those in the decisions mentioned above have also been made in

⁸ In re Liverpool Electric Cable Co. Ltd.’s Applications 46 RPC 99 (1928).

⁹ *Yorkshire Copper Works v. Registrar of Trade Marks* 71 RPC 150 (1953).

¹⁰ Id.

numerous other cases.¹¹ What one can gather from these decisions is that the name of a geographical region that has producers of a particular good, or even merely *the potential* to produce such goods, could never be the subject of a trademark for those goods, as it would lack distinctiveness. Since a GI could only be registered for geographical names of this precise nature, it is submitted that a conceptual conflict between GIs and trademarks is simply incapable of being borne out.

Another indicator that supports the above argument is the conspicuous shortage of cases involving a conflict between a prior trademark and a latter GI. The most notable case, in this regard, is the *Parma Sausage* case.¹² In this case, the respondent had registered a trademark of the name “Parma” for meat products in 1969. At the time, there was a ban placed in the US market on importing meat products from Italy, due to an outbreak of African swine flu. Subsequently, when the ban was lifted, the appellants, who were a consortium of “prosciutto ham” producers from the Parma region of Italy, attempted to register a GI over the same name. When their application was rejected, they instituted a case against the respondents, alleging that their trademark was geographically deceptive and therefore liable to be cancelled. The Court ultimately ruled against the appellants, because they found that geographical deceptiveness had to be proven on the date of registration of the trademark. As, on the date of registration, no such deception could be shown – because the appellant’s product was banned, and thus the use of the trademark did not affect a consumer’s choice – the trademark was not liable to be cancelled.

¹¹ See: Reuter (R.J.) Co. v. Muhlen 70 RPC 235 (1958); Hi-Tech Pipes Ltd. v. Asian Mills Pvt. Ltd. 2006 (32) PTC 192 (Del); I.T.C. Ltd. v. Registrar of Trade Marks and another PTC (Supp) (2) 533 (Cal) (1968); R.S. Krishna and Co., Mayuram v. G.R. Gopal and Co. AIR 1981 Mad 262; Wotherspoon v. Currie (1872) L.R.5. H.L. 508; Thompson v. Montgomery (1891) 8 RPC 361 (HL); India Electric Works Ltd’s Appeal (1945) 49 CWN 425.

¹² Consorzio del Prosciutto di Parma v. Parma Sausage Products 23 USPQ 2d 1894 (1992).

The error in this case, however, is that the trademark – Parma – ought to have never been registered. The region of Parma has been famous for its “prosciutto ham” for centuries.¹³ The Prosciutto di Parma Consortium has been regulating the quality and production methods of this product from 1963, six years before the trademark was registered. In such circumstances, it is evident that consumers would identify the term “Parma” with the ham produced in Italy, even at the time the trademark was registered. Consequently, the name cannot acquire a secondary meaning, as it lacks distinctiveness. Of course, one may argue – as the respondent did – that the absence of any Italian ham producer in the market (at the time of registration) is sufficient to grant it distinctiveness in the market, *as it exists*. However, as the *Yorkshire Copper Works* case clarified, the test of distinctiveness is not limited to the market in status quo, but also as it may develop in the reasonably foreseeable future. It is submitted that the re-entry of Italian Parma ham, due to the lifting of the ban, was a reasonably foreseeable outcome, and, as a consequence, the trademark of “Parma” ought not to have been registered.

A more interesting instance of such a “conflict” arose in the *Torres wine* case.¹⁴ In that case, a Spanish firm manufacturing wine had registered a trademark in the name “Torres” in Portugal, in 1962, based on the family name of its founder. Subsequently, in 1981, the Portuguese government registered a GI in the name of “Torres Vedra,” for a wine-producing region in the country. Ultimately, the matter was settled through a statute that was specifically enacted to permit the co-existence of these two marks. Nonetheless, it is important to address this supposed “conflict,” in light of the argument advanced above.

Unlike the *Parma Sausage* case, where the region of Parma had an established reputation that deprived the trademark-holder’s designation of any distinctiveness, the region

¹³ See: <http://www.academiabarilla.com/the-italian-food-academy/meats-charcuterie/prosciutto-parma-1.aspx> (Last visited on 7 April, 2016).

¹⁴ H. Harte-Bavendamm, *Geographical indications and trademarks: Harmony or conflict?*, WIPO SYMPOSIUM ON THE INTERNATIONAL PROTECTION OF GEOGRAPHICAL INDICATIONS, 24 (1999).

of Torres Vedra was not renowned for its wine production. If anything, it was famous for producing low-quality wine.¹⁵ Thus, it is submitted that the registration of a GI for such a region by the Portuguese government was misguided, as the concept of GIs is not intended to identify or protect mediocrity. However, even if the registration of such a GI were considered acceptable, the trademark of Torres ought to have never been registered, due to the presence of a geographical region with an identical name, which possessed numerous producers of wine. The registration of such a trademark contradicts the principles laid down in *A. Baily, Liverpool Cable Co.*, and *Yorkshire Copper Works*.

Nonetheless, the *Parma* and *Torres* cases may certainly cause one to raise the following question: what would happen if an undertaking were to register a trademark for a product unrelated to any region and, subsequently, a region with an identical name were to suddenly crop-up on the market and begin producing high-quality products of the same category? And what if this outcome was not reasonably foreseeable and thus escaped the *Yorkshire Copper Works* test? However fanciful and dubious such a possibility may be, were it to occur, it would certainly avoid the argument outlined above. Nonetheless, as shown below, the ensuing relationship between the GI and trademark for such a product would still not be one of “conflict.” For, even though the GI and trademark in such a case may no longer live “separate lives,” their relationship would continue to be one of “mutual indifference.”

III. The Impossibility of a Conflict: The “Mutual Indifference” of Trademarks and GIs

Exclusivity is the most important right granted to a trademark holder. However, this exclusivity is not absolute. For instance, Art.17 of TRIPS contains the following provision:

¹⁵ H. Harte-Bavendamm, *Geographical indications and trademarks: Harmony or conflict?*, WIPO SYMPOSIUM ON THE INTERNATIONAL PROTECTION OF GEOGRAPHICAL INDICATIONS, 24 (1999).

*“Members may provide limited exceptions to the rights conferred by a trademark, such as fair use of descriptive terms, provided that such exceptions take account of the legitimate interests of the owner of the trademark and of third parties.”*¹⁶

[Emphasis added]

Similarly, s.30(2) of the Indian Trade Marks Act provides:

*“A registered trade mark is not infringed where-- (a) the use in relation to goods or services indicates the kind, quality, quantity, intended purpose, value, **geographical origin**, the time of production of goods or of rendering of services or other characteristics of goods or services.”*¹⁷ [Emphasis added]

Thus, we can conclude that the protection of exclusivity granted to trademarks is only in relation to its use as an identifier of the registered trademark holder’s goods, i.e. in terms of their *secondary meaning*. However, this protection does not prevent other producers from using the same word in a descriptive sense. There is a very good reason for this. The principle that justifies granting exclusivity to a trademark is that of *efficiency* – it enables consumers to identify the goods of a particular producer with ease, and allows such producers to reap the benefits of the goodwill generated by them. At the same time, it shields such producers from unfair competition in the form of “free-riders” who may seek to take advantage of their competitor’s reputation in order to peddle their own goods.¹⁸ However, if this exclusivity granted to trademarks were to be absolute, covering even descriptive uses of the term, it would undermine this very principle of efficiency.

¹⁶ Art.17, AGREEMENT ON TRADE RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS, 1869 UNTS 299 (1994).

¹⁷ s.30(2), The Trade Marks Act (1999).

¹⁸ D. Gangjee, *Quibbling Siblings: Conflicts between Trademarks and Geographical Indications*, 82 CHICAGO-KENT LAW REVIEW, 2007, at 1253, 1280.

The use of a geographical origin, while labeling a product, enables consumers to make more educated choices. At the same time, because the labeling is done in a descriptive manner, and does not seek to imitate the synonymous trademark, any possibility of “free-riding” is avoided – in fact, producers relying on such a geographical description are only taking legitimate advantage of their own regional reputation.¹⁹ Thus, while the principle of efficiency may justify granting exclusivity to trademarks, it also mandates that such protection of exclusivity not extend to the registered word/symbol when it is used in a descriptive fashion. Since GIs are used in precisely this manner, as descriptive, generic terms, it is submitted that any GI that is identical to a word/symbol protected by a trademark would not conflict with such trademark, as it would fall within the exception described above.

This position was reflected in the WTO Panel Report on the Request for Consultations by the United States and Australia, regarding the European Communities’ Regulation 2081/92.²⁰ In that case, Australia and the United States raised objections to Art.14(2) of the EC Regulation because it allowed a latter GI to exist with a prior trademark. The United States and Australia argued that this infringed upon the right of registered trademark holders to prevent confusing uses of similar or identical signs by all third parties, under Art.16.1 of TRIPS. However, the WTO Panel Report rejected this argument, pointing out that a GI, when used fairly, would fall within the exception created by Art.17 of TRIPS and thus would not violate the exclusivity of a trademark. The Report also pointed out that any confusion caused to consumers could be avoided in situations where identical GIs and trademarks exist, through methods such as clarificatory statements issued on the labels of products.

¹⁹ Id.

²⁰ World Trademark Organization (WTO) Panel Report, *European Communities— Protection of trademarks and geographical indications for agricultural products and foodstuffs*, WT/DS174/R (March 15, 2005).

This reasoning was also reflected in the ECJ's *Kerry Springs* decision.²¹ In this case, the plaintiff had marketed mineral water in Germany under the "GERRI" trademark since 1985. However, in 1990, the defendant began to market drinks in Germany with labels including "Kerry Springs" – a word that was homonymous to the plaintiff's trademark. The plaintiff argued that the use of this phrase infringed upon the rights granted to them by the trademark. However, the reason the defendant used this phrase was because its drinks were manufactured from spring water found in County Kerry, Ireland. Consequently, the Court found that the defendant used the phrase in a descriptive manner, in good faith, and, therefore, their use of the words "Kerry Springs" did not conflict with the exclusivity granted to the plaintiff's trademark.

What we can gather from these two decisions, of the WTO Panel and the ECJ, is that even when a trademark and GI are registered with the same name, howsoever unlikely such a situation may be, they are both entitled to coexist (provided each has been registered in good faith). The reason for this is that the two concepts use the same word in entirely different fashions. While trademarks rely on the secondary meaning, to which they are entitled exclusive protection, GIs rely on the descriptive sense of the word, which falls outside the ambit of trademark protection. Thus, the two concepts live lives of mutually indifferent coexistence.

IV. Conclusion

This paper sought to argue against the characterization of GIs and trademarks as conflicting concepts. It did so, through two different levels of argumentation.

The *first* is that a word which is capable of becoming a GI cannot be registered as a trademark, because it would be impossible for it to acquire a secondary meaning. This is

²¹ Gerolsteiner Brunnen & Co. v. Putsch (C-100/02) [2004] ETMR 40.

because consumers would already identify this word with the geographic region in question, which would preclude any individual proprietor from being able to use the word in such a manner that it could only be attributable to his own goods. Of course, this argument can only be borne out in a properly functioning regime of IPR, where GIs and trademarks are registered as they ought to be – as illustrated by the few instances of overlaps between the two concepts, including the *Parma Sausage* and *Torres* cases.

The *second* is that even if the same word were to be registered as a GI and a trademark, there would be no conflict between the two. This is because the exclusivity granted to trademarks is not absolute and does not extend to scenarios where the word in question is used in a descriptive sense. As observed by the WTO Panel Report and the ECJ, the use of a word as a GI is always descriptive. Thus, provided a GI is registered in good faith, it would not conflict with any rights granted to a prior trademark holder.

It is for these reasons that the debate on GIs and trademarks rests on a fundamental misunderstanding of the two concepts. The two are not conflicting concepts; they merely live parallel lives.