

Geographic Indications

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Geographic Indications

Some countries have *sui generis* systems for protecting *geographical indications*. The United States mostly does not; we protect them primarily – but not exclusively – through trademark law.

A The International Context

Justin Hughes

Champagne, Feta, and Bourbon -- The Spirited Debate About Geographical Indications

58 Hastings L.J. 299 (2006)

The French system of *appellations d'origine contrôlées* (AOC) is founded on the idea of terroir. Terroir has no direct English translation, but the notion behind the Latinate word is simple: the product's qualities *come with the territory*. As one Australian wine critic describes it: "terroir . . . translates roughly as 'the vine's environment[,] but has connotations that extend right into the glass: in other words, if a wine tastes of somewhere, if the flavours distinctly make you think of a particular place on the surface of this globe, then that wine is expressing its terroir."

Beliefs about terroir run deep in France, but not too deep, for if they did there might not be a justification for the elaborate regulatory structure governing production of AOC foodstuffs. The INAO regulates not just the geographic boundaries for each AOC, but all "conditions of production," including, for wine, the grape varieties, hectare production quotas, natural alcohol content during vinification, permitted irrigation, etc. The *Institut National des Appellations d'Origine* (INAO) regulations for AOC cheese place varying legal requirements on rennet used in coagulation, curd drainage, milk temperature at different points in curing, salting, and the use of lactic proteins.

In contrast to a separate system for protecting appellations, some countries, like the United States, subsume protection of geographi-

cal indications under trademark law. This is achieved through the categories of “certification marks” and “collective marks.” ...

Geographical words in product names (that is, labeling and advertising) have three basic purposes. These are (1) to communicate geographic source, (2) to communicate (non-geographic) product qualities, and (3) to create evocative value. The first of these is simple. “*Industria Argentina*” or “*Made in England*” communicate a product’s geographic origins. Second, geographic words are often used to communicate product characteristics other than geographic origin. This second use often leads to the geographic words becoming “generic.” The word loses its geographic meaning and acquires another meaning based on non-geographic qualities of the product, as when people go into a *restaurant chinois* off the Champs-Élysées or, nine time zones away, Californians order *French fries* with their *hamburger*.

A third, more overlooked, category for use of geographical words in product names is their use for evocative and aesthetic purposes. These are typically uses of words which, in American trademark doctrine, would be “fanciful” or “arbitrary.” The evocative value of geographic words is most evident with geographic names of fictional or no-longer existent places: ATLANTIS waterproofing services, POMPEII game machines,²³ and SHANGRI-LA hotels.

Armed with this framework, we will see that the classical justification for geographical indications is that they serve a special combination of (1) and (2): to communicate a product’s geographical source *and* non-geographic qualities of the product that are related to its geographic origin. This is the idea of *terroir*: that the *particular geography* produces *particular* product characteristics that cannot be imitated by other regions. The idea of *terroir* undergirds the European Union claim for stronger protection of geographical indications. This concept helps justify the European Union’s demand, since 2004, for the “return” of over forty words that have become generic names for foodstuffs in other countries (e.g., Parmesan cheese, Champagne, Chablis, Gorgonzola cheese, Parma ham, etc.). Although *terroir* and a claim for a unique communications function for geographical indications is the European Union’s public rhetoric, this Article concludes that the European Commission has a simpler goal: control of geographic words for their *evocative value in the marketplace*. The monopoly rents available from exclusive control of this evocative value drive the EU position in the debates over geographical indications.

Trade-Related Aspects of Intellectual Property (TRIPS), Uruguay Round Agreement (1991)

1. 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.

2. 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 10bis of the Paris Convention (1967) [i.e., “in the course of trade is liable to mislead the public as to the nature, the manufacturing process, the characteristics, the suitability for their purpose, or the quantity, of the goods”]
3. A Member shall, *ex officio* if its legislation so permits or at the request of an interested party, refuse or invalidate the registration of a trademark which contains or consists of a geographical indication with respect to goods not originating in the territory indicated, if use of the indication in the trademark for such goods in that Member is of such a nature as to mislead the public as to the true place of origin.
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.
2. The registration of a trademark for wines which contains or consists of a geographical indication identifying wines or for spirits which contains or consists of a geographical indication identifying spirits shall be refused or invalidated, *ex officio* if a Member’s legislation so permits or at the request of an interested party, with respect to such wines or spirits not having this origin.
6. Nothing in this Section shall require a Member to apply its provisions in respect of a geographical indication of any other Member with respect to goods or services for which the relevant

Art. 23

Additional Protection for Geographical Indications for Wines and Spirits

Art. 24

International Negotiations, Exceptions

indication is identical with the term customary in common language as the common name for such goods or services in the territory of that Member. ...

B Trademark Law

Lanham Act

15 U.S.C. § 1052 [Lanham Act § 2]
Trademarks registrable on principal register ...

No trademark ... shall be refused registration on the principal register on account of its nature unless it—

- (a) Consists of or comprises ... a geographical indication which, when used on or in connection with wines or spirits, identifies a place other than the origin of the goods ...
- (e) Consists of a mark which ... (2) when used on or in connection with the goods of the applicant is primarily geographically descriptive of them, except as indications of regional origin may be registrable under section 1054 of this title [pertaining to collective marks and certification marks], (3) when used on or in connection with the goods of the applicant is primarily geographically deceptively misdescriptive of them,

Gulf Shrimp From Nebraska?

Valencia Oranges From Maine?

Champagne Not From Champagne?

No way!

A sparkling wine may look or claim the part. But if it's not from Champagne, it's simply not true Champagne.

That's because Champagne is a specific place 90 miles east of Paris that produces the only grapes that yield the taste of Champagne of legend. Champagne's one of a kind cool climate, chalky soil and long history of winemaking expertise combine to produce a wine impossible to duplicate.

So, it does matter where wine comes from. A Napa wine is only from Napa, a Willamette wine is only from Willamette and a Walla Walla is only from Walla Walla.

And if it's not from Champagne, it's simply not true Champagne.

Champagne
is from Chamagne

www.champagne.us

Guantanamera Cigar Co. v. Corporacion Habanos

This case comes before the Court on cross motions for summary judgment filed by plaintiff Guantanamera Cigar Company's ("GCC") and defendant Corporacion Habanos, S.A. ("Habanos"). Upon reviewing the motions, the Court concludes that the Trademark Trial and Appeal Board ("TTAB") erred as a matter of law in applying the three-part test for primarily geographically deceptively misdescriptive marks, which are barred from registration by the Lanham Act, 15 U.S.C. § 1052(e)(3). Therefore, the Court grants the plaintiff's motion for summary judgment.

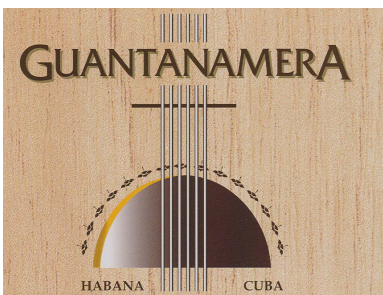
729 F. Supp. 2d 246 (D.D.C 2010)

I. FACTUAL BACKGROUND

GCC is a small company based in Coral Gables, Florida. GCC manufactures cigars in Honduras from non-Cuban seeds, then sells and distributes them mainly in the Miami area, as well as other parts of the United States. GCC filed a trademark application for the mark GUANTANAMERA for use in connection with cigars on May, 14, 2001. When translated, “guantanamera” means “(i) the female adjectival form of GUANTANAMO, meaning having to do with or belonging to the city or province of Guantanamo, Cuba; and/or (ii) a woman from the city or province of Guantanamo, Cuba.” Many people are also familiar with the Cuban folk song, Guantanamera, which was originally recorded in 1966.



GCC's GUANTANAMERA logo



Habanos's GUANTANAMERA logo

Habanos, jointly owned by the Cuban government and a Spanish entity, manufactures cigars. The Cuban embargo prohibits Habanos from exporting cigars into the U.S. Habanos, however, owns trademarks on many cigar brands outside the U.S., including registrations or applications for GUANTANAMERA in more than 100 countries in the world. On December 29, 1998, Habanos applied for the mark in Cuba, and registered the mark on March 13, 2001. Habanos applied for a U.S. Trademark on April 15, 2002, but its application remains suspended because of GCC's prior application.

Shortly after the TTAB published GCC's application, Habanos filed an opposition, which asserted that GUANTANAMERA was primarily geographically deceptively misdescriptive, and therefore barred from registration. The TTAB agreed and found that GUANTANAMERA was primarily geographically deceptively misdescriptive and that Habanos had standing to oppose registration.

II. DISCUSSION

The TTAB improperly denied registration of GUANTANAMERA for cigars because it used an incorrect legal standard. The TTAB must deny registration of marks “which when used on or in connection with the goods of the applicant is primarily geographically deceptively misdescriptive of them.” 15 U.S.C. § 1052(e)(3). A mark is “primarily geographically deceptively misdescriptive” when:

- (1) the primary significance of the mark is a generally known geographic location, (2) the consuming public is likely to believe the place identified by the mark indicates the origin of the goods bearing the mark, when in fact the goods do not come from that place, and (3) the misrepresentation was a material factor in the consumer's decision.

California Innovations: 329 F.3d 1334 (Fed. Cir. 2003)

In re California Innovations, Inc. The TTAB cited the proper legal standard, but erred in its application of the third part. The Court reviews

the three parts of the test—geographic location, goods-place association, and materiality—as applied by the TTAB.

a. Geographic Location

There is significant evidence in the record to find that Cuba or Guantanamo, Cuba is the primary significance of GUANTANAMERA. The primary significance of a mark is a finding of fact. Guantanamera literally means “girl from Guantanamo.” The Plaintiff argues that the primary meaning of GUANTANAMERA is the famous Cuban song by Joseito Fernandez. The TTAB recognized that the folk song’s history reinforces the geographic connection to Guantanamo and Cuba. Based on the deferential standard of review, the Court finds that the Plaintiff produced insufficient evidence to disturb the TTAB’s factual finding that GUANTANAMERA’s primary significance is a geographic location.

b. Goods-Place Association

There is sufficient evidence to find that the consuming public is likely to believe that the Plaintiff’s cigars originate from Cuba. If consumers are likely to believe that the place identified on the mark is the origin of the goods, when in fact the goods do not come from that place, the element is satisfied. *See also In re Spirits International N.V.* (leaving the TTAB’s analysis of the goods-place association unaltered when the TTAB found that Moscow was well known for vodka). The Federal Circuit characterized this element as a “relatively easy burden of showing a naked goods-place association.”

Spirits: 563 F.3d 1347 Fed. Cir. 2009)

The record contains ample evidence that cigar tobacco is produced in the Guantanamo province. There is also ample evidence to support the finding that Cuba is well-known for cigars. The TTAB did not err in finding that the goods-place association was met.

c. Materiality

The TTAB erred as a matter of law in its analysis of materiality. To establish a prima facie case, the TTAB or the opposition must show that a significant portion of the relevant consumers would be materially influenced in the decision to purchase the product or service by the geographic meaning of the mark. Accordingly, the Court holds that Habanos never established a prima facie case for the third part of the test before the TTAB.

In *Spirits*, the TTAB refused to register the mark MOSKOVSKAYA for vodka because it was primarily geographically deceptively misdescriptive. MOSKOVSKAYA literally means “of or from Moscow,” but the registrant admitted that the vodka is not manufactured, produced, or sold in Moscow and has no connection to Moscow. The TTAB found that the primary significance of the mark was a gen-

erally known geographic location and recognized that Moscow is renowned for vodka. Thus, the first two elements of the test were satisfied. The Court took issue with the TTAB's application of the third element, the materiality requirement.

The TTAB reasoned that because 706,000 people in the United States speak Russian, and because 706,000 is "an appreciable number," the materiality requirement was satisfied. The Court remanded the case without ruling on the merits because the TTAB failed to consider whether Russia speakers were a "substantial portion" of the intended audience. The Court noted that only 0.25% of the U.S. population speaks Russian. To satisfy the materiality requirement, a substantial portion of relevant consumers must be likely to be deceived, not an absolute number or particular segment (such as foreign language speakers).

Here, the TTAB erred as a matter of law in applying the materiality requirement. The TTAB decided this case before the Federal Circuit decided *Spirits*. The portion of the TTAB's opinion that addressed the materiality factor was only four sentences and did not make any findings regarding a "substantial proportion" of materially deceived consumers. The TTAB stated two reasons why the misrepresentation is material in the minds of consumers: (1) Cuba's "renown and reputation for high quality cigars" and (2) the plaintiff's subjective intent to deceive customers evidenced by previously placing "Guantanamo, Cuba" and "Genuine Cuban Tobacco" on the packaging.

Spirits plainly demands more than a finding of Cuba's reputation for high quality cigars. In *Spirits*, Moscow's renown reputation for vodka was not enough to affirm the TTAB's legal conclusion; likewise, Cuba's renown reputation for cigars is not enough in this case.

The Court finds the plaintiff's false claims on the packaging equally inadequate to satisfy *Spirits*. First, the registrant's subjective intent provides little, if any, insight into the minds of consumers. Consumers could have numerous reasons as to why they purchase Guantanamo cigars, but without any objective findings, it is difficult to make an accurate conclusion as to whether the geographic misdescription will materially affect a "substantial portion" of consumers. Second, the Court does not consider extraneous and out-dated marketing material particularly relevant in determining a mark's ability to satisfy the § 1052(e)(3) registration bar. The Lanham Act bars registration of marks that are primarily geographically deceptively misdescriptive, not marks that are accompanied by deceptive packaging material. See 15 U.S.C. § 1052.

Habanos attempts to distinguish *Spirits* by asserting that this case meets the "substantial proportion" requirement. It argues that there are millions of Spanish speakers in the U.S., that the English speaking public recognizes "guantanamo" to mean Guantanamo, Cuba, and

that GCC targeted Spanish speaking consumers. Nevertheless, this evidence fails to determine that a substantial proportion of the target audience would be deceived into purchasing the cigars because of the false goods-place association. Habanos never introduced evidence that suggested material deception of a substantial proportion of the relevant consuming public.

III. CONCLUSION

Therefore, this case is remanded to the TTAB so it may apply the proper legal standard to the third part of the test for primarily geographically deceptively misdescriptive terms.

Melting Bad Problem, Redux

Blancorp has come to you with a few more ideas for trademarks for its clumpless ice-melter. The product is factory-made in the United States (in Duluth, Minnesota, to be precise). Recall that it mimics the properties of a naturally occurring rock salt from Quebec, Canada. Give your opinion on the following names as trademarks:

- DULUTH
- HAWAIIAN
- ATLANTIS
- QUEBEC SALT
- CANADIAN BLUE

C Miscellaneous Regulations

Actually, United States law does have some rules requiring specific geographic indications on certain products and forbidding others. Here are a few examples. As you read them, query what they add to our trademark-law baseline. (You might also recall the country-of-origin rules from *American Meat Institute* in the Advertising chapter.)

27 C.F.R. Part 5 Labeling and Advertising of Distilled Spirits

No person engaged in business as a distiller, rectifier, importer, wholesaler, or warehouseman and bottler ... shall sell or ship ... any distilled spirits in bottles, unless such bottles are marked, branded, labeled, or packaged, in conformity with §§ 5.31 through 5.42 [which require, in pertinent part, that the "class and type of distilled spirits shall be stated in conformity with § 5.22 if defined therein"].

27 C.F.R. § 5.31(a)
General

- (b) *Class 2; whisky.* – "Whisky" is an alcoholic distillate from a fermented mash of grain produced at less than 190° proof in such

27 C.F.R. § 5.22
The standards of identity

manner that the distillate possesses the taste, aroma, and characteristics generally attributed to whisky, stored in oak containers (except that corn whisky need not be so stored), and bottled at not less than 80° proof ...

(6) "Spirit whisky" is a mixture of neutral spirits and not less than 5 percent on a proof gallon basis of whisky, or straight whisky, or straight whisky and whisky, if the straight whisky component is less than 20 percent on a proof gallon basis.

(7) "Scotch whisky" is whisky which is a distinctive product of Scotland, manufactured in Scotland in compliance with the laws of the United Kingdom regulating the manufacture of Scotch whisky for consumption in the United Kingdom: Provided, That if such product is a mixture of whiskies, such mixture is "blended Scotch whisky"

(d) *Class 4; brandy.* – ...

(9) "Pisco" is grape brandy manufactured in Peru or Chile in accordance with the laws and regulations of the country of manufacture governing the manufacture of Pisco for consumption in the country of manufacture.

(k) *Class 11; geographical designations.* –

(1) Geographical names for distinctive types of distilled spirits (other than names found by the appropriate TTB officer under paragraph (k)(2) of this section to have become generic) shall not be applied to distilled spirits produced in any other place than the particular region indicated by the name, unless (i) in direct conjunction with the name there appears the word "type" or the word "American" or some other adjective indicating the true place of production, in lettering substantially as conspicuous as such name, and (ii) the distilled spirits to which the name is applied conform to the distilled spirits of that particular region. The following are examples of distinctive types of distilled spirits with geographical names that have not become generic: Eau de Vie de Dantzig (Danziger Goldwasser), Ojen, Swedish punch.

(2) Only such geographical names for distilled spirits as the appropriate TTB officer finds have by usage and common knowledge lost their geographical significance to such extent that they have become generic shall be deemed to have become generic. Examples at London dry gin, Geneva (Hollands) gin.

(3) Geographical names that are not names for distinctive

Notice the tight interleaving of geographic and nongeographic standards.

types of distilled spirits, and that have not become generic, shall not be applied to distilled spirits produced in any other place than the particular place or region indicated in the name. Examples are Armagnac, Greek brandy, , Jamaica rum, Puerto Rico rum, Demerara rum.

- (1) *Class 12; products without geographical designations but distinctive of a particular place. –*
- (1) The whiskies of the types specified in paragraphs (b) (1), (4), (5), and (6) of this section are distinctive products of the United States and if produced in a foreign country shall be designated by the applicable designation prescribed in such paragraphs, together with the words “American type” or the words “produced (distilled, blended) in __”, the blank to be filled in with the name of the foreign country: Provided, That the word “bourbon” shall not be used to describe any whisky or whisky-based distilled spirits not produced in the United States.

Why is bourbon special?

Textile Products Identification Act

- (b) Except as otherwise provided in this subchapter, a textile fiber product shall be misbranded if a stamp, tag, label, or other means of identification, or substitute therefor authorized by section 70c of this title, is not on or affixed to the product showing in words and figures plainly legible, the following:
- (1) The constituent fiber or combination of fibers in the textile fiber product, designating with equal prominence each natural or manufactured fiber in the textile fiber product by its generic name in the order of predominance by the weight thereof if the weight of such fiber is 5 per centum or more of the total fiber weight of the product, but nothing in this section shall be construed as prohibiting the use of a nondeceptive trademark in conjunction with a designated generic name ...
- (2) The percentage of each fiber present, by weight, in the total fiber content of the textile fiber product ...
- (3) The name of the manufacturer of the product ...
- (4) If it is an imported textile fiber product the name of the country where processed or manufactured.
- (5) If it is a textile fiber product processed or manufactured in the United States, it be so identified.

§ 70b

Misbranded and falsely advertised textile fiber products