CHAPTER-VI
GEOGRAPHICAL INDICATIONS AND TRADEMARKS

6.1 Introduction

In a globalised and intercommunicative market and in order to conquer that market, the sale of products demands means of effective identification and differentiation that allow the defence, better understanding and respect of the rural world. In a globalised market, characterised by a ferocious and increasing competition between products, differentiation factors consequently assume a vital importance as a means of affirmation and survival.

On the other hand, it is imperious to conciliate, this need for differentiation with the increasing consumers consciousness for the quality factor and the consequent increase of its degree of demand. Now a days it is not enough to be different; it is also necessary to be among the best. It is precisely in this context that one must place the subject of geographical indications and appellations of origin as a key element in any commercial strategy aiming at consequent of a solid place in the extremely competitive and demanding market. Trademarks and geographical indications are different, equal and independent categories of distinctive marks and signs used to denote specific products, classes of products. These two domains of intellectual property rights, among others, are subject to domestic and multilateral laws, regulating, and administrative procedures that are fair from uniform or harmonized within the member countries of the World Trade Organisation (WTO). As the following discussion will demonstrate, the relationships between trademarks and geographical indications are delicate, overlapping, and

---

1 Alberto Francisco Ribeiro de Almeida, “key differences between trademarks and geographical indications” Porto, 2008.
problematic within a given territory or country. This applies in particular to the boundaries of their specifications and the interface of their coexistence.

6.2 Basic notions of Trademarks and Geographical Indications.

Trademarks and geographical indications belong to industrial property, which is one of the two major branches of intellectual property, the other branch being copyright and related rights.

6.2.1 Trademarks

The modern concept of the trademark dates back to about to centuries, the enhanced circulation of goods has made it increasingly necessary to place marks on products to identify them.\(^2\) As modern capitalism has grown, the drive to sell products and services using some mark, brand or name has invaded more and more fields. Some foods and few other staples are still frequently sold to the consumer without branding, but the tendency is consistently towards labelling to indicate source. Before industrialisation, there were instances of traders and trade groups who deployed marks of various kinds to distinguish their products. The Hallmarks of Goldsmiths and Silversmiths and the marks of Sheffield Cutlers and English examples which have survived as distinct systems. The demand for marks swelled immensely with the development of modern advertising and large-scale retailing, trademarks have become the fundamental one of most market place competition.\(^3\)

Initially, the notion of trademarks referred to goods only, but not to services. This distinction explains a separate mentioning of trademarks and service marks in the Paris Convention. Now a days, the term “trademarks” is regularly understood to refer to both

---


goods and services i.e., to both trademarks and service marks in their original sense. In general terms, trademarks are signs, which are used in order to distinguish the goods or services of one undertaking from the goods or services of another undertaking. The Paris Convention for the protection of Industrial Property of 1883 (“Paris Convention”) deals in a number of Articles with the protection of trademarks. However, the Paris Convention does not provide a definition of trademarks. Such a definition can be found in the Agreement on Trade-Related Aspects of Intellectual Property Rights of 1994 (“TRIPs agreement”), which incorporates by reference the substantive provisions of the Paris Convention (Article 2.1). Article 15.1 of the TRIPs agreement states that:

“Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark”.

It follows from the definition that the main function of a trademark is to distinguish the goods and or services for which the trademark is used. Only trademarks that are distinctive can perform that function. Distinctiveness may be inherent or acquired through use.\(^4\)

There is a vast choice of signs that may constitute a trademark: words, letters and numerals, (fancy) devices including drawings and symbols and also two-dimensional representations of goods, coloured marks, three-dimensional signs, audible signs and even distinctive smells. However, as a general rule trademarks must not be descriptive or deceptive. On the other hand the core property of any sign that may be protected as a trade mark is its distinctiveness. The sign must serve to distinguish goods or services of a

given enterprise from those of other enterprises signs lacking distinctiveness are a priori excluded from protection, such as generic terms descriptive signs, non-distinctive references to geographical origin and the like. For example, the word “apple” is a generic word for an enterprise growing and selling apples and thus cannot be a trademark for this type of goods; however this word may be used as trademark for computers.

Lack of distinctiveness is a major, in some legislative Acts termed as absolute, ground for refusal of registration of such a sign as a trademark. Another important absolute ground of refusal is if a sign is deceptive, that it is likely to deceive the public as to the nature, quality or any other characteristics of the goods or services, or their geographical origin. The third major absolute ground for refusal the registration of a trademark is if it is not capable of graphical reproduction.\(^5\)

In addition to absolute grounds for refusal, there are also relative grounds for refusal. The most prominent relative ground for refusal of a trademark application is, the existence of an earlier trademark, which is the same or confusingly similar to the later application field by a third person. Clearly, the existence of an earlier trademark is a confirmation that the sign is distinctive, but of course it cannot be used by two competitors for the same or similar goods or services this would lead to confusion on the market.

Trademarks are in most countries protected for 10 years, but protection may be renewed again and again for another 10 years. Thus a trademark may remain protected indefinitely as regards legal protection of trademarks, the owner of trademark is generally entitled to prevent unauthorised parties from using a trademark, which is identical or confusingly similar for goods or services identical or similar to those for which the

\(^5\textit{Ibid.} p.5.\)
trademark is protected. The reasoning underlying this protection is two fold. First, consumers deserve protection against use of trademarks that is misleading as to the real source of the goods or services on which the trademark is used. Second, the owner of the trademark should be protected against any confusion created by competitors, with the possible effect of misleading potential customers of the owner of the trademark and damages resulting from losses of business. Hence, contrary to most other forms of intellectual property, the existence of trademark rights is potentially unlimited in time.6

6.2.2 Geographical Indications

Unlike patents or trademarks, geographical indications are protected on the national and regional level under a wide range of different principles, such as protected appellations of origin, registered geographical indications protections under trademark law and unfair competition or passing off. The terminology traditionally applied in treaties in the field of geographical indications administered by WIPO distinguishes between “Indications of Source”7 and “appellations of origin”. 8

TRIPs agreement defines the expression “geographical indication”. Article 22.1 of the TRIPs agreement states:

“Geographical indications are, for the purpose 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”.

---

6 WIPO’s Standing Committee on the Law of Trademarks, industrial designs and geographical indication, fifth session Geneva, sept 11 to 15, 2000, p.5.
7 The term “indication of source” is used in Articles 1(2) and 10 of the Paris Convention. Also used throughout the Madrid Agreement on indications of source 1891.
8 The term “appellation of origin” is defined in the Lisbon Agreement for the protection of appellations of origin and their International Registration, of 1958.
In general a geographical indication is recognised in the country in which the place to which the geographical indication refers is located. This country is commonly referred to as “the country of origin”. The use of a given geographical indication is in principle permitted for every manufacturer; to the extent that goods bearing the geographical indications originate in the place indicated and, as the case may be, comply with applicable standards of production, if any. The rightful users of geographical indications are entitled to prevent anybody from using that geographical indication if the goods on which the geographical indication is used do not have the indicated geographical origin.

6.3 The Relationship between Geographical Indications and Trademarks

Geographical indications by their very nature cannot be subject matter of licensing. Technology and know-how for producing champagne or cognac may be, in principle, transferred to a person producing sparkling wine or brandy outside the region of champagne or cognac, but the right to label the licensed product to be champagne or cognac of course cannot be transferred as well. This is the reason why in reality such a licence is very unlikely. However, the point here is that even if such a transaction takes place, it cannot comprise the license for use of licensor’s geographical indication. On the other hand, a person entitled to use a geographical indication obviously does not need a license for it even if such a person obtains the know-how from another person in the region also entitled to use of the same geographical indications.9

In an increasingly globalised economy, geographical indications have become much more than a mere category of intellectual property rights. They play an very

important economic role. They serve to protect intangible assets such as market
differentiation, reputation and quality standards. They enable linking a specific product
(or its production) to the territory from which it originates. Geographical indications are
not designed to sold as commodity goods or to have hegemonic preponderance in the
market; they usually represent high quality goods in the market. In addition, they convey
the cultural identity of a nation; region or locality and add a human dimension to goods
which are increasingly subject to standardised production for mass consumption. A
United Nations Conference on Trade and Development (UNCTAD) study clearly
identifies the advantages:

“…. Geographical indications and trademarks reward producers that invest in
building the reputation of a product. They are designed to reward goodwill and
reputation created or built up by a producer or a group of producers over many years or
even centuries. They reward producers that maintain a traditional high standard of
quality, while as the same time allowing flexibility for innovation and improvement in
the context of that tradition…” Geographical indications and trademarks represent legal
mechanisms that producers can use to differentiate their products, according to criteria
such as the sustainability or traditional nature of production, and thus appeal to
consumers. As such they have great relevance to developing countries dependent on
primary commodity exports….”

The economic function of geographical indications is much the same as that of
trademarks. First there exists related goodwill. Second, they establish and protect market

10 Ibid.
11 See David R. Downes and Sarah A. Laird, Innovative Mechanisms for sharing Benefits of Biodiversity
and Related Knowledge; Case Studies on Geographical Indications and Trademark, paper prepared for the
identity, by distinguishing the goods bearing a geographical indication from same or similar goods or a different geographical origin, though this distinctiveness is on a collective rather than on individual level. This fact, however, does not mean that geographical indications are not private rights, like all other categories of intellectual property. Rather, they are used collectively by several private persons engaged into production of goods bearing geographical indication. From the legal point of view, geographical indications share many properties with trademark, such as distinctiveness non-deceptiveness, and unlimited duration of protection.\(^{12}\)

The fact that geographical indications perform same economic functions as trademarks naturally raises the question of the economic relationship between the two types of protection. Is it necessary to have both geographical indications and trademarks, or either one of the two categories is sufficient.

To this question the answer is somewhat more complex because different combinations may lead to different situations. In any case, the practise has shown that both trademarks and geographical indications may well support and thus complement each others. Champagne or cognac is good illustration for such a complementary relationship. There are many well known, even famous, marks related to the champagne wine or cognac brandy. It may be even argued that many trademarks became well known precisely on the basis of the good will created by the relevant geographical indication. In other words, geographical indications and related trademarks are both sources of good will, which is then all else equal, greater, relative to a situation where only one of the two sources exists. The only difference is that all trademark owners, including of course

\(^{12}\) Supra n. 4, p.5.
owners of well-known marks, collectively benefit from the goodwill created by geographical indications than those who own well-known trademarks.

This means that more well-known is a certain trademark, the lesser is the direct economic relevance of related geographical indication. However, this is not an issue of concern as long as well-known marks belong to persons entitled to use the related geographical indication as well. After all it does not matter which portion of overall goodwill and reputation is associated either with geographical indication or a trademark. In addition, it is almost impossible to quantify the contribution of either of two categories under consideration. But the goodwill whatever its scope may be, of each and every trademark is inseparable linked with the (goodwill of) underlying geographical indication.

The situation is significantly different whenever products are not protected by means of geographical indications. Such products initially have no “geographical” market identity and are a priori deprived of benefitting from the goodwill associated with geographical indications. Unless producers do not dispose with their own valuable trademarks, then their products are sold just under the lowest possible price, which is very close to marginal cost, as the economic theory predicts for homogeneous, i.e. undifferentiated products. This fact alone clearly speaks in favour of paying attention to protection of geographical indications.\textsuperscript{13}

If there is no protection of geographical indications, then owners of trademarks, under which such products may be eventually offered to consumers, may not be necessarily domiciled in regions of origin of respective products. Two well-known examples of this kind of trademarks are Lipton for tea and Chiquita for Bananas. The

\textsuperscript{13} Supra n. 4, p.6.
trade mark Lipton is owned by a company based in U.K. and the trademark Chiquita is owned by a company based in U.S.A. Yet tea does not grow in U.K. and Bananas do not grow in U.S.A. on the other hand, the two trademarks enjoy a very high reputation and goodwill worldwide, because the respective products tea and bananas are of a very high quality. But this quality can certainly be attributed to the region where these products originate. Apart from some exceptions, such as indication Darjeeling for a tea, most of the products sold under the two trademarks are not protected through geographical indications in the countries of their origin. Being this the case, the “geographical” goodwill does not exist as such, only the goodwill of respective trademarks.

6.4 Distinctive features of Geographical Indications and Trademarks

There is some potential overlap between protection of geographical indications and the protection of trademark, although as a general rule most trademark laws would consider a geographic designation as insufficiently inherently distinctive or a defensible infringement if used by a person whose place of production is located in a particular geographic area. Trademark law permits the registration of geographic indications where the geographic indication has a secondary significance. For e.g., the marks “Magnolia” and “Monkey” although names of towns were registrable because their primary significance was as the names of a flower and animal respectively.14 As a rule of thumb the registering office or the court will consider whether the geographic mark is likely to be chosen in good faith by a trader to indicate the origin of its products. The mark “Michigan” has been denied in Australia to the manufacture of earthmoving equipment15

14 For more information see Magnolia Metal Co’s Trademark (1992) 2ch.
15 Clark Equipment Co. v. Regr of Trademarks, (1964) III C.L.R. 511.
and the mark “Glastonbury” has been denied to the manufactures of sheepskin slippers in England.\textsuperscript{16}

In some cases the courts have refused to permit the registration of marks where geographical indication is a matter of direct connotation, for example the Court of Appeal in Milan condemned the registration of marks “Tartan Design” and “Loch Ness” for whisky which did not come from Scotland. A sufficiently indirect connotation may be unobjectionable under trademarks law but may fall foul of consumer protection or competition laws.\textsuperscript{17} Where a geographic indication is entirely fanciful and not likely to the legitimate choice of traders, such as “Montblanc” for writing instruments or “Thames” for stationary, the marks will be accepted as distinctive.\textsuperscript{18}

Although the geographical indications are as valuable as trademarks, yet the functions of geographical indications are different from that of the trademarks. There are some significant differences between trademark and geographical indications, appellations of origin etc which are accommodated in the TRIPs agreement.\textsuperscript{19}

\textbf{6.5 Comparison between Geographical Indications and trademarks}

When considering geographical indications as a special kind of distinctive sign used in commerce and thus as a particular as category in intellectual property, it is important to distinguish from trademarks. Some of the main differences are analysed in the table below.

\begin{table}[h]
\centering
\begin{tabular}{|l|l|}
\hline
\textbf{Geographical Indication} & \textbf{Trademark} \\
\hline
Function & Function \\
Legal Protection & Legal Protection \\
\hline
\end{tabular}
\caption{Comparison between Geographical Indications and Trademarks}
\end{table}

\textsuperscript{16} Bailey v. Clark (1938) 55 RPC 253.
\textsuperscript{17} Eg. The use of Cyrillic lettering to evoke Russia on Vodka Coming form another country or the use of the French language for a perform originating from outside France.
\textsuperscript{19} TRIPs Agreement, Article 23.3.
## Main difference between Trademarks and Geographical Indications

<table>
<thead>
<tr>
<th>Trademarks</th>
<th>Geographical indications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trademarks are expressions such as “Coca-Cola”, “Peugeot”, “Marlboro”, and “Citibank”. All of them distinguish products or services and or their producer, manufactures or provider.</td>
<td>Geographical indications are expressions such as “Cognac”, “Pilsen”, “Tequila”, and “Champagne”. All of them distinguish the geographical origin of a given product.</td>
</tr>
<tr>
<td>A trademark provides protection to the owner of the mark by ensuring the exclusive right to use it to identify goods or services or to authorise another to use it in return for payment.</td>
<td>The protection of Geographical indications is however enjoyed by all traders from a particular geographical location.</td>
</tr>
<tr>
<td>Trademarks personalise and identify products and services from a specific manufacturer, producer or service provider in order to differentiate such goods or services.</td>
<td>Geographical indications do not identify a single producer or manufacturer, but rather a place of origin.</td>
</tr>
<tr>
<td>The development of trademarks is linked to human creativity. Such creativity is capable of creating an original and novel sign or expression, which permits a certain product or service to be distinguished from similar products or services. As such, trademarks put an emphasis on the producer of a product.</td>
<td>Geographical indications linked to topography, human work, climate or other factors, independently from human creativity. Geographical indications underline the geographic origin of the product and some derived characteristics.</td>
</tr>
<tr>
<td>There is a single person legal or natural entitled to use the trade mark.</td>
<td>All producers belonging to the region or locality where the geographical indication comes from are entitled to use it.</td>
</tr>
<tr>
<td>Since a trademark is used to distinguish the products of a specific trader from those of its competitors, it is not likely to be descriptive and it cannot be generic.</td>
<td>Geographical indications are by definition generic descriptions because a geographic name denotes the geographical origin of the product it identifies in many counties a geographical will normally not be registered as a trademark for a product, because a geographical indication is considered to be insufficiently distinctive.</td>
</tr>
<tr>
<td>Individual production of goods is linked more to the notion of trademarks</td>
<td>Collective production of products originating from the same geographical zone, and having the same quality,</td>
</tr>
</tbody>
</table>


22 Escudero, supra, n.20, p.1.

23 Ibid.

24 Addor, Felix & Grazioli Alexandra (2202) supra n. 9, p.870.
reputation or characteristic attributable to its geographical origin, are linked to the notion of geographical indication.

| Trademarks are easier to protect internationally than geographical indications but requires active participation by the owner or holder of the trademark. Usually trademarks are protected by registering with the competent domestic authority. |
| Geographical indications are generally monitored and protected by producer associations from the relevant regions. International protection of geographical indications is more difficult as no single mechanism exists to protect geographical indications and it could be done by means of law, jurisprudence or administrative acts. State involvement is far greater in the case of geographical indications than trademarks. |

| Trademarks are freely transferable from one owner to another |
| Geographical indications are not freely transferable from one owner to another, as a user must have the appropriate association with the geographical region and must comply with the production practices of that region. |

A sound understanding of the different features of trademarks and geographical indications—two distinctive but often complementary intellectual property rights—is also an important pre requisite to developing effective protection and an adequate strategy for geographical indications at the national and international level.

In general, WTO members have chosen between two main approaches to implement the TRIPs standards on geographical indication protection at the national level: either through a system of specific protection for geographical indications which reflects the “collective” approach inherent to geographical indications, or through the trademark system which is an “individual ownership” approach.

With a trademark there exists, the individual mark, the collective mark and the certification or guarantee mark. The certification comes closest to geographical

---

25 Blakeney, supra n.18, p.632.
indication protection in its manner and effect except of the fact that trademark law inherently assumes that its protection to the mark owner is to the exclusion of all others. This is not true in the case of geographical indications. Moreover, most trademark laws would consider a geographical designation as insufficiently inherently distinctive or a defensible infringement if used by a person whose place of production is located in a particular geographical area. In fact most trademark laws expressly state that geographical indication cannot be protected as a trademark. The Lanham Trademarks Act\textsuperscript{27} provides for the prohibition of certain trademarks.\textsuperscript{28} There is a plethora of cases where protection of geographical indication was denied under the Trademark Act. Some examples are: Kentucky\textsuperscript{29} not being allowed to be registered as a trademark or whisky though it was exclusively produced in the state or Canada\textsuperscript{30} for maltless breweries Green Mountain grapes\textsuperscript{31} grown in that areas /region, Montserrat\textsuperscript{32} which is an island could not be used time manufacturers in that region.\textsuperscript{33}

On the other hand US courts have given trademark protection to some geographical indications. Three landmark cases which gave protection to some indicators as trademarks are: (i) \textit{City of Carisbad v. Solomon & Gemansky} \textsuperscript{34} Although “Carisbad”

\textsuperscript{27} Section 1052 United States Annotated Title 15, Trade and Commerce.
\textsuperscript{28} Section 1052 of this Act was submitted by the US to the WTO as being generally relevant in respect of protection of geographical indications,. In listing out certain trademarks which cannot be registered, Sec.1052 reads as follows: “no trademarks by which the goods of the applicant may be distinguished from the goods of other shall be referred registration on account of its nature unless (i) consists of mark which (2) when applied to the goods of the applicant is primarily geographically descriptive or deceptively misdescriptive of them except as indications of regional origin may be registrable under section 1054 of this title”.
\textsuperscript{29} \textit{Gienmore Distillers Company v. National Distillers Products Corporation}, Section 1052, United States Code Annotated Title 15, Trade and Commerce.
\textsuperscript{30} In Re Canada Dry Ginger Ale, 86 F2d 830.
\textsuperscript{31} \textit{Hoyt v. J.T. Lovett Company}, Sec.1052, US code annotated Title 15, Trade and Commerce.
\textsuperscript{32} \textit{Evans v. Von Lear}, Sec.1052.
\textsuperscript{34} Sec.1052, US code annotated title 15 Trade and Commerce. As cited in http://www.iprlawindia.org.
was geographical name, it did not prevent the citizens of the city from having exclusive right to use the name in connection with springs owned by it and also seek injunction preventing others from passing off their mineral water at Carisbad. (ii) *Jewish Colonisation Association v. Solomon & Germansky.* Though caramel is the name of a mountain in Palestine; it could be appropriate as a trademark for wines and grapes produced there. (iii) Though Tobacco is the name of the Mexican State, it could be appropriate as a trademark for sauce.

In case 2 & 3 above it was not the local residents nor the genuine local industry who managed to get the trademark registered. It was done by industries located elsewhere. But from the legal viewpoint, the above cases allowed for the protection of geographical indicators as trademarks which is a departure from the previous trend of cases concerning the Lanham Act.

It is said that the local industry in these cases and in many cases, like the Havana Cigars case, failed to get the protection that they deserved and instead outside industries managed to get the protection. Therefore, it is clear that protection of geographical indications as trademarks besides being conceptually impossible, poses a lot of practical problems.35

### 6.6 Conflicts between Trademarks and Geographical indications

Geographical indications and trademarks are different legal categories of distinctive signs. Conflicts as to the right to the exclusive use of a distinctive sign usually arise where there are different parties claiming entitlement to such use. In the case of competing claims to the right in the same trademark, there are number of mechanisms assigned to avoid conflicts. The principle of territoriality means that identical trademarks

---

used for identical goods or services can co-exist in different territories. However, the
globalisation of trade and the ever increasing importance of new, borderless means of
communication, most notably the internet, lead to a significant erosion of the principle of
territoriality and call for new solutions. The principle of speciality means that similar or
identical trademarks can co-exist as long as they are used on different goods or services.
Under the principle of priority, the exclusive right to a trademark is attributed to the first
who registered or used it. These principles are supplemented by rules that allow honest
and concurrent use of trademarks, or the use of family names, usually to the extent that
such use is not misleading or deceptive.\textsuperscript{36}

Different from trademarks, geographical indications are not arbitrarily chosen, but
refer to a distinct geographical area in relation to the products that originate there from.
It is possible that different geographical regions have the same name and are the place of
origin for the same kind of products. A conflict that arises out of such a situation would
be a problem of homonymous geographical indications.

The situation is of course different where one and the same sign is used by
different parties as a trademark and as a geographical indication for the same product
who should be entitled to use that sign? What should be the conditions of such use?
Should one right prevail over the others or should both rights co-exist. Such questions
will naturally arise in such situations.

A further problem may occur where the same sign is used by different parties as a
trademark and a geographical indication for different goods, and either the trademark or
the geographical indication is well known. The protection of well known marks,
meaning the protection of such marks against registration or use of similar signs in

\textsuperscript{36} Aswath U.Rao, \textit{supra} n.33.
relations to dissimilar goods or services is well established in international law.  

However, the international protection of well-known geographical indications, in the sense of protection of such geographical indications against unauthorised use on dissimilar goods, has not developed in the same manner, although the problem has been known for some time.  

The other area of conflict is where a geographical indication is sought to be protected in a country where there is prior registered trademark right for the same name. This occurs because in certain situations, a geographical name is permitted to be registered as a trademark. This happens when:

(1) These names do not have a primary geographical significance to the relevant public.  

One of the early cases which reconfigured judicial thinking was magnolia’s Trademark application for metal ‘magnolia’ was an obscure geographical name, so the court determined that if the primary significance of the marks to the relevant public was not geographic, it could be registered.  

(2) Names which were initially geographical have acquired secondary meaning. Marlboro™ is the name of a leading cigarette brand by Phillip Morris and also a US country.  

By heavy advertising over time, when consumers hear or read Marlboro™, they think of the product (Cigarette) and not the place. Thus descriptive names acquire secondary meaning and become distinctive.  

38 Article 6 bis of the Paris Convention, Article 16.2 & 16.3 of the TRIPS Agreement, and Articles 2 to 4 of the WIPO Joint Recommendations concerning the protection of well-known marks of 1999.  
40 In Re Magnolia Metal Company’s Trade Marks (1897) 2ch 37 1 (CA)  
41 See the official county website at http://www.marlborocounty.sc.gov/.
(3) When the geographical significance may be arbitrary. This implies that no reasonable consumer would think that the products were produced in such a place. Thus Amazon.com may be registered for books as no reasonable consumer would assume that the business is located in the Amazon rainforests.

(4) In all these situations, geographical words can be registered as trademarks, by anyone who files an application. So geographical indications may be registered as trademarks by registrants from outside the geographical region concerned. This is the reason why the registered protection of geographical becomes a priority.42

6.7 Existing Approaches

Competing claims to the right in a given sign, either as a trademark, or as a geographical indications, can be looked at from at least too different angles, namely from the point of view of trademark law, or the point of view of the law on geographical indications.

6.7.1 Conflicts under trademark law

As general rule, trademarks must not be descriptive or deceptive. Consequently, trademarks that consist of or contain a geographical indication cannot be protected, if use of such trademarks would be misleading as to the true origin of the products on which the trademark is used. Laws on trademarks specifically excludes from registration geographical terms that can be understood to constitute a reference to the origin of the relevant goods. This exclusion from registration usually depends on an assessment whether a geographical term used as trademarks would be perceived by the public to indicate a connection between the origin of the goods and the trademark. However, it is

42 See generally McCarthy on Trademarks and Unfair Competition, Fourth Edition Ch15, for an overview of secondary meaning.
possible to use geographical terms as trademark if those terms are arbitrary. Such as, for example, “Antarctica” for bananas, because that mark would not be understood to refer to the origin of the goods on which it is used. Moreover, it may be possible to use a geographical term as trademark in cases where that trademark despite of being originally descriptive, has acquired distinctive character (or secondary meaning) through use.

6.7.2 Conflicts under the law of geographical indications

Unfair competition and passing off – The law for the protection against acts of unfair competition or passing off is meant to provide a remedy against illicit commercial acts, such as, for example, false or misleading allegations in the course of trade. The plaintiff in a passing off action or an action for unfair competition against the allegedly unauthorised use of geographical indication must show, inter alia, that such use of a geographical indication is misleading. This can only be done by demonstrating that the geographical indication in question has acquired goodwill or reputation.

In a conflict over the use of a geographical indication, in which protection of the geographical indication is based on the law of unfair competition, and the adverse party is claiming trademark rights in that indication, the question as to whether the use of the geographical indication by any of the two parties would be misleading, again if decisive. If the use of the trademark consisting of the geographical indication is misleading as to the origin of the goods on which it is used, such use would constitute unfair competition or passing off and, thus, should not be allowed. In turn, this would entail the invalidity of the trademark in question. If, on the other hand, the use of that trademark is not

43 Dev Gangjee, protecting Geographical Indications as Collective Trademarks: The prospects and pitfalls, IIP Bulletin example taken from WIPO publication 760 p.166.
44 WIPO’s standing committee on the law of trademarks industrial designs and geographical indications. 5th Session, 2000 Geneva. Document prepared by the International Bureau, p.16.
misleading, the case for passing off is likely to fail. This means of course that, at the same time, the use of the trademark by the adversary constitutes trademark infringement. It should be noted, however, that the situation may not present itself in such a clear cut manner. This may be the case, for example where due to limited geographical use, a given geographical indication had acquired good will only in a limited area, whereas a potentially conflicting trademark is known throughout a country. In that situation, the result may well co-existence of both rights with certain conditions as to use and or expansion of that use.  

6.7.2.1 Collective and certification marks

Where geographical indications are protected as collective or certification marks, their protection is governed by the applicable trademark law. Conflicts concerning competing trademark rights are resolved under trademark law in application of the principle of priority. Depending on the relevant trademark law, priority rights may be granted on the basis of a prior application or prior use or under certain circumstances, to a mark that was prior in becoming well known.

In consideration of these principles, the resolution of conflicts between geographical indications protected as collective or certification marks and “individual” trademarks does not seem to constitute a problem.  

6.7.2.2 Protected appellations of origin and registered geographical indications

Under a system of appellations of origin or registered geographical indications, geographical indications are protected as *sui generis* rights. Such systems may provide explicitly for rules to be applied in cases of claims to one and the same geographical term

---

45 Ibid.
46 Ibid.
based on trademark right and on the right to a protected appellation of origin or a registered geographical indication.

Depending on the applicable legal regime, different solutions are possible. They may range from giving priority to registered geographical indications or protected appellations of origin over competing trademarks to the opposite solution, namely priority to trademarks over competing registered geographical indications or protected appellations of origin, with the possible intermediary solution of co-existence between the competing rights.  

Whether or not priority is given to a trademark over an appellation of origin or a registered geographical indication claiming rights in the same sign depends on a number of factors. It may make a difference whether trademark in question was registered or used in good faith before the geographical indication was protected or whether the trademark in question has been used for a long period of time and has acquired reputation and renown. In applying those factors, decisions concerning the relationship between trademarks and appellation of origin or registered geographical indications are made on a case by case basis.

6.7.2.3 Administrative schemes for protection

Administrative schemes used for the protection of geographical indications typically do not directly address conflicts between trademarks and geographical indications. Those schemes operate independently from administrations which are responsible for the registration of trademarks. They usually ensure that certain geographical indications cannot be used for specific products. This mechanism of

---

47 Supra n.26, Intellectual Property Reading Material.
48 Supra n. 44, p.17.
protection for geographical indications may be used where protection provided under unfair competition law is considered to be insufficient.\footnote{An example for such situation may be the protection that has to be provided by members of the WTO under Article 23.1 of the TRIPs Agreement to geographical indications for Wines and Spirits. Since protection under that provision must be made available even in cases where the unauthorised use of such geographical indications would not be misleading.}

6.7.3 International Agreements

Not many international multilateral agreements on intellectual property regulate expressly the relationship between trademarks and geographical indications. In the context of this chapter, two agreements will be looked at, namely the Lisbon Agreement and the TRIPs agreement.

6.7.3.1 Lisbon Agreement for the protection of Appellations of origin and their International Registration

The Lisbon Agreement does not address directly the question of conflicts between trademarks and geographical indications. A state party to the Lisbon Agreement has to protect an internationally registered appellation of origin if it has not declared, within one year from the receipt of the notification of the international registration, that it cannot ensure, in its country, protection for that appellation of origin (Article 5(3)). The reason for such a declaration must be indicated. However, the Lisbon Agreement itself does not specify the grounds on which such a declaration may be based. It is conceivable that an internationally registered appellation of origin cannot be protected in a state party to the Lisbon agreement because that appellation is considered to be a generic term in that country, or because existing prior rights would conflict with that appellation.

To the extent that a declaration under Article 5(3) concerning a given internationally registered appellation of origin was not made, that appellation of origin is protected in accordance with Article 3. In addition, Article 5 (6) provides that, if an
appellation that is protected in a country subsequently to its international registration has already been used by third parties in that country from a date prior to such notification, third parties may be given the right to use that appellation of origin for an additional period of two years following the expiration of once year period during which a declaration under article 5(3) can be raised, before such use has to be terminated.  

6.7.3.2 The TRIPs Agreement

The TRIPs Agreement is the first multilateral agreement on intellectual property rights dealing with trademarks and geographical indications at the same time. The relationship between trademarks and geographical indications is addressed in a number of provisions of the TRIPs agreement. The TRIPs agreement laid down an adequate solution to the possible conflict between a trademark and a geographical indication by providing the exclusivity of a valid prior good faith trademark registration pursuant to Article 16(1) TRIPs.  

The main provision dealing with conflicting geographical indications and trademarks is Article 24(5). This article deals with the situation where a geographical indication may conflict with pre-existing trademark rights which have been acquired in good faith.

Where a trademark has been applied for or registered in good faith, or where rights to a trademark have been acquired through use in good faith either (a) before the date of application of these provisions or (b) before the geographical indication is protected in its country of origin; measures adopted to implement this section shall not prejudice eligibility for or the validity of the registration of a trademark, or the right to

50 Supra n. 44, p.18.
use a trademark, on the basis that such a trademark is identical with or similar to, a geographical indication.

This provision provides for cases wherein an existing trademark is identical or similar to a geographical indication, but the product is not necessarily of the same type and trademark is not likely to mislead the public. Thus, according to TRIPs, when a trademark and a geographical indication coincide, the trademark always wins. Whether the geographical indication is allowed to coexist alongside the trademark is not clear from the article. Some have interpreted Article 16(1) of the TRIPs agreement as providing absolute exclusive rights to a trademark owner. Co-existence of the geographical indication alongside the trademark will be offered as a possible solution.\(^{52}\)

TRIPs requires that the right to a trademark similar to a geographical indication be established in good faith. Whether the mark has been applied for, or registered, or even if the rights were acquired though use, it is important that right was acquired through good faith, namely with an absence of intent to imitate or counterfeit a geographical indication.

Exclusively of the prior right is the prevailing conflict solution mechanism in all certification marks or collective marks systems for the protection of geographical indications (e.g. United States, Canada and China), but this conflict resolution mechanism is also provided for in statutory law of countries which provides for \textit{sui generis} registration of geographical indications such as Art.106 of the Hungarian Trade Mark Act.\(^{53}\)


\(^{53}\) Art.106 (1) of the Hungarian Trademark act reads as follows: “A geographical indication shall not be granted protection: (a)with respect to identical goods if the geographical indication with the later date of
However, the interpretation of the TRIPs agreement providing exclusivity to the prior trademark is not a view uniformly held among all WTO member states. In particular the European Communities traditionally pursue a concept of geographical indication protection which assumes a certain element of superiority of geographical indications over trademarks. Historically, this may be rooted in the early 20th century disputes over the champagne appellations of origin as well as the concept of public or common goods versus private property. Examples of this concept of superiority of geographical indications which is not reflected in the TRIPs agreement which sets both trademarks and geographical indications on equal footing as private property rights can easily be found in secondary legislation of the European Community.

European Community Reg.1493/1999 on the common organisation of the market in wine provides for example for the discontinuation of the use of a prior trademark, if a confusingly similar designation is later on protected as a geographical indication for wine. In other words, the trademark would have to be expunged from the register and its use would be enjoined despite the fact that a trademark had been validly registered in good faith with a better priority.

Another example where the prior trademark would continue to exist, but lose its exclusivity is European Reg.2081/92 on the protection of geographical indications and designations of origin for agricultural products foodstuffs. This piece of European

priority is identical with an earlier geographical indications trademark; (b) with respect to identical or similar goods, if the geographical indication with the later date of priority is identical with, or similar to the earlier geographical indications or trademark and exists a likelihood of confusion on the part of the consumers; (c) with respect to not similar goods if the geographical indication with the later date of priority is identical with, or similar to, an earlier trademark having a reputation in the country where the use of the later sign would take unfair advantage of, or be detrimental to the distinctive characters or the repute of the earlier trademarks”.

Community is based on the concept of co-existence between a prior trademark and a later geographical indication.\(^55\)

A request under part II, section 3 of the TRIPs agreement in connection with the use or registration of a trademark (presumably a request for prohibitions of use or invalidation of the registration of a trademark conflicting with a geographical indication) must be made within the time limits provided for by Article 24.7. The limits are Five years after the adverse use of the protected indication has become generally known in that member, or five years after the date of registration of the trademark in that member provided that the trademark has been published by that date, if such date is earlier that the date on which the adverse use become generally known in that member.

The TRIPs agreement creates a framework for the solution of conflicts between geographical indications and trademarks, taking into account the date of entry into force of the TRIPs agreement for WTO members, the commencement of protection of geographical indications in their countries of origin, and the time of the acquisition of bonafide trademark rights in signs identical with or similar to geographical indications and used on goods for which the respective geographical indication is protected. TRIPs agreement provides for delicately balanced solutions for conflicts between geographical indications and trademarks.

**6.7.4 Conflicts under Indian Act**

The Indian Act,\(^56\) in cases of conflict between trademarks and geographical indications had provisions under sec.26(1), where it provides for the trademark which has been acquired either before the commencement of the act or before the date of filing the

---

\(^{55}\) Art.14 (2) and Art.13(4) and (5) of EC reg.2081/92.  
application for registration of such geographical indications. It also provides that the provision of the Act shall not prejudice the registrability or the validity of the registration of such trademark under the law relating to the trademark for the time being in force, or the right to such trademark on the ground that such trademark is identical or similar to such geographical indication. The provision corresponds\textsuperscript{57} to provision in the TRIPs agreement. There is however, a restriction which may give rise to difficulties in practice the application registration or use must have been done “in good faith”.

6.8 Conclusion

Trademarks and geographical indications have a similar role to play in trade they assist consumers in differentiating products. The Conventions and largely uncontroversial wisdom regarding trademarks is that they reduce consumer transaction costs by allowing individuals to scan product displays and make purchasing decisions by associating signs with known qualities of goods or services, including the reputation of the producers. The logic supporting the idea that consumer benefit from geographical indications is the same but instead of differentiating private undertakings or businesses they identify groups of producers in specific regions. It is also generally accepted that in addition to enabling the consumer to identify the source of the product, the trademark may also serve to protect the goodwill of an enterprise. The term ‘goodwill’ is used to capture an intangible the reputation of an enterprise that has built. However, in geographical indications the reputation belongs to collectivities that include production units owned by individuals families, cooperatives and privately or collectively owned businesses.

\textsuperscript{57} TRIPs Agreement Article 24(5).