

ABPI

Brazilian Intellectual Property Association



27th ANNUAL CONFERENCE AIDV

Intellectual Property

The Conflict between Geographical Indications and Trade Marks



MARK – ITS MAIN ROLE NOWADAYS

Distinctive or identification sign of a product or service.*

The marks are subject of a right of occupancy, by those who apply them first.*

First to file, first to be served or first in time first in right.

• *Carlos Henrique Fróes, Sinais Distintivos e Tutela Judicial e Administrativa – Série GV Law – pág. 83

• **Lélio Schmidt – Op. Cit. pág. 41

THE MAIN FUNCTIONS OF A MARK

- Identification and distinction of a product or service in the market and
- Individualization of a product or service of a manufacturer from those of his competitors.

FURTHER FUNCTIONS OF MARKS (OUTDATED)

- > Indication of source (even as the source of a business)
- > Guarantee of quality – not afforded by the Intellectual Property – only by means of competition.

The owner of a mark may use it as he likes, for the product he wants to, manufactured at his company or at another business, everywhere or even in many countries. He may modify the quality, features, the methods of production or the presentation of the products under his trademark. The owner of a designation of origin, however, is not allowed to do so.*

“

* Ribeiro de Almeida – Boletim da Faculdade de Direito – Studia Iuridica – Denominação de Origem e Marca – Coimbra Editora – pág. 337

THE CERTIFICATION MARKS

- They attest the conformity of products and services with certain rules and features, which are set by the owner of the mark.
- It does not necessarily assure superior or exceptional quality.
- Superior quality: in most cases determined by competition on the market.
- Owner: a business not directly interested in the trade of the product or service to be certified (exemption).

GEOGRAPHICAL INDICATIONS

Section 176* – A geographical indication shall be an indication of source or a designation of origin.

“In the first place: each geographical location is unique. **

* Brazilian Industrial Property Law – Law no. 9.279/96

** José de Oliveira Ascensão – Propriedade Intelectual: Plataforma para o Desenvolvimento. IDS – Editora Renovar – pág. 113

INDICATIONS OF SOURCE

Section 177* – An indication of source is considered to be the geographical name of a country, city, region or locality of its territory, which has become known as a center of extraction, production or manufacture of a given product or for providing a given service.

* Brazilian Industrial Property Law

INDICATIONS OF SOURCE

Main requirement: the reputation of a place, city, region or country for the production of a given product.

“The Indication of Source does not necessarily assure a quality – however, there is a minimum standard of quality which leads to a reputation. As such, the geographical indication always presupposes a valuable quality or characteristic.

*José de Oliveira Ascensão – Propriedade Intelectual: Plataforma para o Desenvolvimento. IDS – Editora Renovar – pág. 116

DESIGNATIONS OF ORIGIN

Section 178* – A designation of origin shall be the geographical name of country, city, region or locality of its territory, which designates a product or service, the qualities or characteristics of which are exclusively or essentially due to the geographical environment, including natural and human factors.

* Brazilian Industrial Property Law

DESIGNATIONS OF ORIGIN

Main requirement – unique characteristics resulting essentially from the geographical area where the product comes from.

“Juridically speaking, though, the quality guarantee must be assured, as the goal and fundament for the protection of the indication of origin. (...).

“The maintenance of a quality is a condition for the protection.”*

”
*Op. Cit. José de Oliveira Ascensão – page. 116

BRAZILIAN INDUSTRIAL PROPERTY LAW x TRIPS

Section 22

- ✓ 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.
- ✓ Brazilian Industrial Property Law – provides a wider protection by encompassing services as well.

LIMITATIONS OF THE BRAZILIAN INDUSTRIAL PROPERTY LAW

- ✓ Does not provide registration for indications of source or designations of origin consisting of traditional designations, but only of geographical names, thus not allowing the registration of the geographical indication “cachaça”.
- ✓ It is not in line with the TRIPs Agreement, which considers the GI as “indications” “which identify a good as originating in the territory of a Member (...)”.

CRIMES AGAINST GEOGRAPHICAL INDICATIONS

- Section 193 – Using, on a product, container, casing, belt, label, invoice, circular, poster or any other means of disclosure or advertisement, relocation terms, such as “typ”, “species”, “kind”, “system”, “similar”, “substitute”, “identical” or “equivalent”, not disclaiming the true source of the product.

DECREE 4.062/2001

- ✓ Established “Cachaça”, “Brasil” and “Cachaça do Brasil” as Geographical Indications of exclusive use of Brazilian producers.
- ✓ The Regulation of Use of the GIs “Cachaça”, “Brasil” and “Cachaça do Brasil” is being drafted.
- ✓ Remark: The GI “Brasil” may be recognized as such also in connection with other products and services, subject to definition by the President.

THE CONFLICT BETWEEN MARKS AND GIs

- ✓ Solution for these conflicts:
- ✓ Principle of territoriality: it permits the coexistence of identical names to identify the same products/services in different territories;
- ✓ Principle of especialty: it permits the coexistence of identical signs to identify different products/services and
- ✓ Principle of anteriority (first in time, first in right): the owner of a mark is usually the one who applied for its registration first.*

✓ *Laetitia Maria Alice Pablo d'Hanens – Sinais Distintivos e Tutela Judicial e Administrativa – Série GVlaw – Editora Saraiva – page 181

STILL ABOUT THE CONFLICTS BETWEEN MARKS AND GIs

- ✓ Solution of disputes by means of provisions which prohibit false statements and unfair competition, which are detrimental to the consumer, the productive chain, the public in general and the GI itself.

SOME JUDICIAL DECISIONS

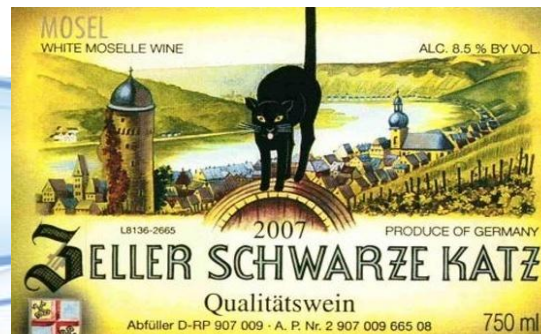
- ✓ THE “BORDEAUX” CASE (Federal Appellate Court – of Rio de Janeiro) – nullity of the registration of trademark “BORDEAUX” (food services and services of providing ice).
- ✓ Vote: “(...) it does not make any difference whether or not the mark in question is intended for the same products or services, or for services which are different from those rendered by the Plaintiff, or even from a different source, since Law no. 5.772/71 then in force (as the current law also establishes), prohibited the registration of a geographical indication as a mark (...).”
- ✓ > The court has not applied the principle of specialty so as to provide absolute protection to “BORDEAUX”.

SOME JUDICIAL DECISIONS

- ✓ THE BORDEAUX CASE (State Appellate Court of São Paulo) – Article 4 of the Madrid Agreement on Appellations of Origin was applied, so that the court confirmed that a designation of origin for wines cannot become generic.
- ✓ “It is sufficient the mere possibility of deception, as protection is meant for the consumer”.
- ✓ Prohibition of unfair competition.

SOME JUDICIAL DECISIONS

- ✓ THE “SCHWARZE KATZ” CASE + THE DEVICE OF A BLACK CAT – (by the State Appellate Court of the state of Rio Grande do Sul)
- ✓ Vote: “(Stabilisierungsfonds für Wein) has evidenced that “SCHWARZE KATZ” is the name of a zone or region located in the limits of Zell, on the bank of the Mosel river, which is famous for the production of white wine and is used, in combination with the device of a black cat, by the wine producers established in that area.



SOME JUDICIAL DECISIONS

- ✓ THE “BAIANINHO” CASE (coming from the state of Bahia) – (Federal Appellate Court of Rio de Janeiro)
- ✓ > Nullity of the registration for trademark “BAIANINHO” (cigarettes and cigars) granted in favor of a business in the state of Santa Catarina, as it may deceive the consumers as to the true origin of these products, since it is the state of Bahia (and not of Santa Catarina) which is widely known in the country as a major producer of tobacco products. Even though “Baianinho” does not consist of a geographical indication, it may induce consumer into error.
- ✓ > False indication of source with risk for the consumer.

SOME JUDICIAL DECISIONS

- ✓ THE “LOCK NESS” CASE- (Federal Appellate Court of Rio de Janeiro)
- ✓ > Nullity of the registration for trademark “LOCK NESS”, as it is similar to “LOCH NESS” (Lake Ness) and thus indicate a false source.
- ✓ Plaintiff: “LOCH NESS” is not the name of a region known for the production of whisky and “LOCK” has a proper meaning.
- ✓ Unanimous decision: not enough distinction between “LOCK NESS” and “LOCH NESS” and risk of leading consumer into error, as LOCH NESS is associated with Scotland, which is a country well known for the production of whisky.

FURTHER JUDICIAL DECISIONS

- ✓ THE “SCATS BARD” CASE – (Federal Appellate Court – Rio de Janeiro)
- ✓ > Nullity of the registration for trademark “SCATS BARD”. The mark consists of a label encompassing a number of device elements which are associated with Scotland – the device of a castle, of a man dressed as a typical Scottish, the stylization of the letters, etc. Nullity declared even though “SCATS BARD” does not consist of a geographical indication, so as to prevent deception.



DECISIONS RENDERED BY THE BTO (BRAZILIAN TRADEMARK OFFICE)

- ✓ THE “COGNAC” x “CONHAQUE” CASE
- ✓ > Authorization granted to Brazilian producers of “conhaque” to keep using it as a product name (to identify a kind of brandy) and granting of the registration for the appellation of origin “COGNAC” in favor of the Bureau National Interprofessionnel Du Cognac.

✓ PROHIBITIONS OF THE BRAZILIAN INDUSTRIAL PROPERTY LAW

- ✓ Section 124 – The following shall not be registrable as marks:
- ✓ IX – geographical indications, imitations thereof likely to lead to confusion or signs that might falsely suggest a geographical indication;
- ✓ X – signs that suggest a false indication as to origin, source, nature, quality or utility of the product or service to which the mark is directed.

DECISIONS RENDERED BY THE BRAZILIAN TRADEMARK OFFICE (BTO)

- ✓ Refusal of the following trademark applications:
 - ✓ MOSELBERG, ROSENGARTEN
 - ✓ LA PARMA, DV CREAZIONI DI VENEZIA
 - ✓ PROCHEF SOLINGEN
 - ✓ HAVANA CLUB
 - ✓ ALAMAR TEQUILA
 - ✓ SWISS CHOCOLATE QUALITY, SWISS FORMULA
 - ✓ CACHAÇA KOPENHAGEN (Decree 4.062/2001)
 - ✓ VALE DOS VINHEDOS (services of publicity, business management, etc.)

GIs x MARKS – IMPORTANT DIFFERENCES

- ✓ GI (indications of source and designations of origin) – registration only for geographical names;
- ✓ MARK – any visually perceptible distinctive sign, including geographical names, provided that they are not deceptive to the consumer;
- ✓ GI – pre-existent right – the registration has declaratory nature;
- ✓ MARK – subject to a right of occupancy – first in time, first in right – the rights exist only upon registration (constitutive nature);
- ✓ GI – absolute protection – it does not apply the principle of speciality;
- ✓ MARK – protection in a given market segment (except high renown marks) – application of the principle of speciality.

GIs x MARKS – IMPORTANT DIFFERENCES

- ✓ GI – may disappear by loss of quality or by means of its vulgarization (examples: “EAU DE COLOGNE”, “QUEIJO DE MINAS”, etc)
- ✓ MARK – registration may be cancelled on the grounds of non use but not on the grounds of loss of quality;

- ✓ GI – registration is granted without any time limitation
- ✓ MARK – protection granted for ten years, renewal for further terms of ten years;

- ✓ GI – some quality guarantee is expected
- ✓ MARK – does not assure quality (may be a result of competition)

✓ GIs AS IMPORTANT INTELLECTUAL PROPERTY ASSETS

- ✓ Appreciation of regional culture and tradition;
- ✓ Prevents exodus from rural areas;
- ✓ Appreciation of the region where a product with GI is manufactured with very positive impacts in other market segments;
- ✓ Preservation of customs, habits and tradition of ancestors and its transmission to new generations;
- ✓ Environmental preservation with positive impacts in the whole chain of production;

CONCLUSION

- ✓ Both the BTO as well as the Brazilian courts in general have been able to properly deal with conflicts between geographical indications and trademarks, always keeping in mind the protection of the consumer and so as to prevent unfair competition and false statements in trade. These decisions also reflect that both the BTO and the Brazilian courts may render decisions applying Article 4 of the Madrid Agreement on Appellations of Origin and affording absolute protection for GIs.
- ✓ GIs – (Indication of Source and Designation of Origin) – assure competitive advantage by means of unique characteristics and features.



✓ THANK YOU

- ✓ Contact: borda@dannemann.com.br – www.dannemann.com.br
- ✓ ABPI: abpi@abpi.org.br – www.abpi.org.br