

GEOGRAPHICAL INDICATIONS: *THE UNITED STATES*



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GEOGRAPHICAL INDICATIONS: THE UNITED STATES

Legal Control Of Wine GIs In the US – 1992-2012

Evolution Resulting From Three Key International Agreements:

- NAFTA (Canada – Mexico – U.S.): 1992
- TRIPs (WTO): 1994
- Agreement on Trade in Wine (E.C. – U.S.): 2006

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The Situation As Of January 1992 . . .

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Legal Control of Wine GIs:

- No *sui generis* legal status
- No registration system
- One international agreement:
 - Paris Convention (1883)
- Some protection under:
 - Trademark law
 - Alcohol labeling law

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U.S. Trademark Law

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- USPTO Registration (optional)
- Judicial remedies against infringement
 - Injunctive relief
 - Damages
- USPTO *inter partes* remedies
 - Oppositions
 - Cancellations

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Certification or Collective Marks:

- Appellations of origin
- Grower/producer cooperatives
- Vineyard or ranch names

Primary meaning must be geographic

→ *Multiple sources possible*

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GIs In Trademarks:

- Primary brand names
- Secondary brand names
- Producer names

Primary meaning cannot be geographic

→ *Must have single-source distinctiveness*

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False GIs In Marks (circa 1992):

- Marks were unregistrable at USPTO if
 - “Geographically deceptive” or
 - “Primarily geographically deceptively misdescriptive” and no secondary meaning
- Use of mark may be enjoined by court if geographically misleading to consumers

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NAFTA (1992)

Required signatories to:

- provide means for interested persons to prevent use of any false geographical indication if use is misleading to the public
- refuse or cancel the registration of any trademark containing or consisting of a false geographical indication if use is misleading to the public

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NAFTA (1992)

Exceptions (partial list):

- Where (false) GI was used for at least 10 years or in good faith before the Agreement;
- Where mark was registered or subject of a pending application before the Agreement;
- Where (false) GI is “the customary term in common language”

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NAFTA Implementing Legislation:

- No change to U.S. law respecting use of geographically misleading mark [key = *misleading*]
- U.S. registration provisions amended: “Primarily geographically deceptively misdescriptive” marks now *per se* unregistrable UNLESS mark became distinctive (i.e., acquired “secondary meaning”) before Act

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TRIPs (WTO): 1994

Required signatories to (*inter alia*):

- provide means for interested persons to prevent use of any false geographical indication if use is misleading to the public
- refuse or cancel the registration of any trademark containing or consisting of a false geographical indication if use is misleading to the public
- ***NB: These provisions were modeled on NAFTA***

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TRIPs (WTO): 1994

Definition of GI:

- “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.”
 - *Similar to both NAFTA and Lisbon Agreement definitions*

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TRIPs (WTO): 1994

BUT 3 additional key protections for GIs for wines and spirits:

- Required remedy against use of any false GI for wines or spirits, even if accompanied by expressions such as 'kind', 'type', 'style', 'imitation' or the like [subject to certain exceptions]
- Required refusal/cancellation of registration of marks consisting of or containing any false GI for wines or spirits [ditto]
- Mandated further negotiations in the TRIPS Council concerning the establishment of a multilateral system of notification and registration of GIs for wines (only)

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TRIPs (WTO): 1994

Exceptions (same as NAFTA – partial list):

- where a (false) GI was used for at least 10 years or in good faith before the Agreement;
- where a mark that is the same as or identical to a GI was registered or an application for registration was pending before the Agreement;
- where a (false) GI is “identical with the term customary in common language as the common name for such goods or services”

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TRIPs Implementing Legislation:

- No change to U.S. law respecting use of geographically misleading marks (as with NAFTA)
- U.S. registration provisions amended to include *per se* prohibition of registration of mark consisting of or containing a false GI for wines or spirits, if first used on or after January 1, 1996

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U.S. Trademark Law – 2012

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False GIs In Marks (2012):

- Use of mark may be enjoined by court if misleading to consumers
 - Otherwise, still no problem!
- If first used on or after January 1, 1996, then unregistrable at USPTO
 - BUT depends on finding that term is known as GI
 - AND if used before Jan. 1, 1996, then unregistrable only if:
 - “Geographically deceptive” or
 - “Primarily geographically deceptively misdescriptive” and no secondary meaning before December 8, 1993

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U.S. Wine Labeling Regime

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U.S. Wine Labeling Regime (as of 1992):

- Requires use of appellation of origin in certain situations
- Defines conditions of use of appellations of origin
- Prohibits use of brand and product names of geographic significance in certain situations
 - BUT pre-July 1986 brand names are “grandfathered”

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Definition of “appellation of origin”:

- Country
- State, province, territory, or similar political subdivision
- US county
- Recognized “viticultural area”
 - American
 - Foreign

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American Viticultural Areas (AVAs):

- System established in 1979
- Purely geographical
- Established by notice-and-comment rulemaking by U.S. Alcohol and Tobacco Tax and Trade Bureau (TTB)
- Range in size from very large multi-state regions (e.g., Willamette Valley, Shenendoah Valley) to very small areas
- About 120 AVAs recognized as of 1992 (about 220 today)

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AVAs

Conditions for establishment (simplified):

- (1) Name is nationally or locally known;
- (2) Geographical features (climate, soil, elevation, physical features, etc.) create viticulturally distinct area;
- (3) Area is definable by reference to United States Geological Survey (U.S.G.S.) map.

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AVAs

Requirements for use:

- At least 85% of the wine is made from grapes grown within the viticultural area
- The wine is fully finished within the State in which the viticultural area is located

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Other US Appellations Of Origin

Requirements for use:

- 75+ percent of the wine is made from grapes grown in appellation area
- The wine is fully finished within the state in which the appellation area is located (unless appellation is “United States”)
- The wine conforms to the laws and regulations of the named appellation area governing the composition, method of manufacture, and designation of wines made in such place

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Foreign Appellations of Origin

Conditions for use:

- At least 75%* of the wine is made from grapes grown within the appellation area
 - *85% for recognized viticultural areas
- The wine conforms to the requirements of the foreign laws and regulations governing the composition, method of production, and designation of wines available for consumption within the country of origin

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Foreign Appellations of Origin

Some notable (notorious?) exceptions:

- **“Generic” names**
- **“Semi-generic” names**

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Foreign Appellations of Origin

“Generic” names: Vermouth, Sake

- Treated as non-geographic type designations
- Type designations are defined in the regulations
- Any wine meeting definition can be labeled with that type designation

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Foreign Appellations of Origin

“Semi-generic” names: Angelica, Burgundy, Claret, Chablis, Champagne, Chianti, Malaga, Marsala, Madeira, Moselle, Port, Rhine Wine, Sauterne, Haut Sauterne, Sherry, Tokay

→ May be used to designate wines of an origin other than that indicated by such name if:

- an appropriate and truthful appellation of origin appears in direct conjunction with the semi-generic name
- the wine conforms to the standard of identity, if any, for such wine contained in the regulations or, if there is no such standard, to the trade understanding of such class or type

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US-EU Agreement On Trade In Wine (2006)

Title III, Art. 6 (Para.1):

The United States agrees to “seek to change the legal status” (*requalifier le statut juridique*) of the semi-generics to restrict use to wine originating in the Community

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US-EU Agreement On Trade In Wine (2006)

Title III, Art. 6 (Para.2):

EXCEPTION: Where a use has occurred in the United States before December 13, 2005, the semi-generic term may continue to be used on labels for wine bearing the brand name “for which the applicable COLA was issued” before that date

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US-EU Agreement On Trade In Wine (2006)

Title III, Art. 12:

“[T]he [semi-generics] are neither considered, nor excluded from being considered in the future, geographical indications of the Community under United States law.” (*“[L]es termes [semi-generics] ne sont pas considérés, bien qu’ils puissent l’être dans l’avenir, comme des indications géographiques communautaires au titre de la législation américaine.”*)

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US-EU Agreement On Trade In Wine (2006)

Joint Declarations:

“[T]he Parties intend to enter into a dialogue on the matter of names of origin and the [semi-generics], with a view to better understanding each other's policy and increasing recognition, as appropriate, of these names and terms in the Community and in the United States.”

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U.S. Implementing Legislation:

Imposes 3 preconditions for use of a semi-generic designation:

- (i) an appropriate appellation of origin appears “in direct conjunction” with the semi-generic designation;
- (ii) the wine conforms to the standard of identity stated in the regulations or, if no such standard, to the trade understanding of such wines;
- (iii) there is a “grandfathered” COLA.

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Is There A Conflict Between The Agreement And The Us Implementing Legislation?

Agreement:

“the term may only be used on labels for wine bearing the brand name, or the brand name and the fanciful name, if any, for which the applicable COLA was issued prior to [March 10, 2006]”

Legislation:

“the person, or its successor in interest, using the semi-generic designation held a [COLA] for a wine label bearing such brand name, or brand name and fanciful name, before March 10, 2006, on which such semi-generic designation appeared”

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Multilateral (Trips) Register For Wines And Spirits:

- Negotiations began in 1997 in “special sessions” of TRIPS Council
- Original deadline (per Doha Declaration) was 2003
- 3 competing proposals pending
 - EU
 - “New World” wine countries *et al.*
 - Hong Kong/China
- “Composite text” circulated in April 2011
- Negotiations continuing

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EU Proposal:

- Formal amendment of TRIPS Agreement
- Establishment of single GI register
- Registration of GI establishes “rebuttable presumption” that term is to be protected in member countries
 - Exception: where country has lodged a “reservation” on permitted grounds (e.g., term has become generic or does not meet definition of GI) within a specified period (e.g., 18 months).

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“New World” Proposal:

- No formal amendment of TRIPS Agreement
- Voluntary system:
 - Countries participating in system would be required to consult GI database when determining extent of protection.
 - Non-participating countries would be “encouraged” but “not obliged” to consult database.

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Hong Kong/China Proposal:

- Voluntary system
- Limited “presumption” that listed GI is to be protected in participating countries

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Multilateral (Trips) Register For Wines And Spirits

Other Issues

- Notification of submitted terms
- Substantive review of submitted terms
- Duration and renewal of registration
- Costs

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Further US-EU Negotiations Regarding
“Semi-generics”

None at this time

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Developments In State Wine Labeling Regimes

California:

- Restrictions on use of “sub-appellations” of the following AVAs:
 - Napa County
 - Sonoma County
 - Lodi
 - Paso Robles
- *Sub-appellations must be used together with the larger AVA name*

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State Regimes:

California:

- Restrictions on use of brand names referring to:
 - “Napa” or any AVA within Napa County
 - Brand names may be used only on wines entitled to bear Napa County AVA
 - “Sonoma”
 - Brand names may be used only on wines entitled to bear Sonoma County AVA

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State Regimes:

Oregon:

- No use of “semi-generics” for wines made in Oregon
- 95% content requirement for any Oregon appellation of origin