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Andrew P. Vance Memorial Writing Competition Winner: Acquiring a European Taste for Geographical Indications

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ACQUIRING A EUROPEAN TASTE FOR GEOGRAPHICAL INDICATIONS

INTRODUCTION

In a handful of Italian provinces, Parmigiano-Reggiano undergoes several labor-intensive processes that culminate in the creation of a large wheel of cheese that must be aged for at least twelve months.¹ The final product has a distinctive flavor that is “full and fruity with a salty tang.”² Although the technology has changed, the method of producing Parmigiano-Reggiano has remained consistent for more than eight hundred years.³

Kraft Foods (“Kraft”) began producing Parmesan Cheese, its own version of Parmigiano-Reggiano, in the United States in 1945.⁴ Kraft’s product has many of the same ingredients and uses as Parmigiano-Reggiano, but there are several notable differences. Unlike Parmigiano-Reggiano, Parmesan Cheese is mass-produced in large factories⁵ and is only aged for about ten months.⁶ Parmigiano-Reggiano cheese is sold in fresh wedges, while Parmesan Cheese is grated into a dry, powder-like substance and packaged in plastic or cardboard tubes.⁷

Parmigiano-Reggiano producers⁸ are dismayed by Kraft’s product name of Parmesan Cheese (“Parmesan” is French for “Parmigiano”—

1. For a more detailed description of how Parmigiano-Reggiano is produced, see Consorzio del Formaggio Parmigiano-Reggiano, Production Standard, http://www.parmigiano-reggiano.it/sotto_sezione/14288/Production_Standard.aspx?newlang=7 (last visited Feb. 10, 2008).

2. JUDY RIDGWAY, *THE CHEESE COMPANION: THE CONNOISSEUR’S GUIDE* 174 (1999).

3. See Consorzio del Formaggio Parmigiano-Reggiano, <http://www.parmigiano-reggiano.it/index.html?l=2> (last visited Feb. 10, 2008) (follow “800 Years of Excellence” hyperlink) [hereinafter Parmigiano-Reggiano Web Site].

4. Kraft Grated Parmesan History, <http://www.kraftfoods.com/KraftParm/allAboutKraftParm> (last visited Feb. 10, 2008).

5. JULIET HARBUTT, *CHEESE: A COMPLETE GUIDE TO OVER 300 CHEESES OF DISTINCTION* 110 (1999).

6. Libby Quaid, *Kraft Wants to Speed the Making of Parmesan, but Purists Cry Foul*, *HOUSTON CHRON.*, Feb. 9, 2006, at 3.

7. See RIDGWAY, *supra* note 2, at 176. Kraft’s Grate-It-Fresh, which allows the user to grate his own Parmesan Cheese and was introduced in 2006, is an exception. See Kraft Grated Parmesan History, *supra* note 4.

8. There are approximately 450 dairy farms that produce the milk that is essential for Parmigiano-Reggiano. See Parmigiano-Reggiano Web Site, *supra* note 3 (follow “Dairies” hyperlink). These dairies are located not only in the province of Parma, but also in the nearby provinces of Modena, Reggio Emilia, Bologna, and Mantua. See *id.*

both mean “of Parma.”)⁹ These producers maintain that Parmigiano-Reggiano (or parmesan cheese) can only be produced in Parma and other nearby provinces because the cheese’s quality and methods of production are linked with the land and cannot be replicated in other parts of the world.¹⁰ Parmigiano-Reggiano producers also argue that foreign producers of parmesan cheese are free riding on Parmigiano-Reggiano’s traditional product name.¹¹

More specifically, the Parmigiano-Reggiano producers believe that Kraft is infringing their product’s geographical indication (“GI”).¹² GIs, which constitute a form of intellectual property (“IP”), are “indications which identify a good as originating in the territory of a [World Trade Organization (“WTO”)] 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.”¹³

The European Communities (“EC”) favors strong GI protection.¹⁴ In fact, in the EC, Kraft is now prevented from labeling its product as “Parmesan.”¹⁵ However, the United States claims the EC is asking too much in its demands for GI protection.¹⁶

The purpose of this Article is to demonstrate why the United States should acquire a European outlook on GIs and enhance GI protection under the Agreement on Trade Related Aspects of Intellectual Property Rights (“TRIPS”). Part I of the Article discusses the history and scope of pre-TRIPS multilateral agreements on GIs. A detailed account of TRIPS provisions governing GI protection is included in Part II. Part III describes internal GI protection in the United States and the EC. In Part IV, I explain what the United States could gain by adopting a European ap-

9. Bob Davis, *Italian Town Says British Butchers Just Can't Cut It—In Parma Ham Spat, Tradition Collides With Commerce*, WALL ST. J., June 4, 2002, at A1.

10. See Lina Montén, Comment, *Geographical Indications of Origin: Should They Be Protected and Why?—An Analysis of the Issue From the U.S. and EU Perspectives*, 22 SANTA CLARA COMPUTER & HIGH TECH. L.J. 315, 342 (2006).

11. James Cox, *What's in a Name?*, USA TODAY, Sept. 9, 2003, at 1B.

12. See Montén, *supra* note 10, at 339.

13. Agreement on Trade-Related Aspects of Intellectual Property Rights art 22(1), Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, Legal Instruments—Results of the Uruguay Round, 33 I.L.M. 1197 [hereinafter TRIPS].

14. Philippe Zylberg, *Geographical Indications v. Trademarks: The Lisbon Agreement: A Violation of TRIPS?*, 11 U. BALT. INTELL. PROP. L.J. 1, 1 (2002).

15. Montén, *supra* note 10, at 339. Since 2002, Kraft has been forced to sell its product under another name in Europe (“Pamessello Cheese”) in order to comply with the EC’s internal GI requirements. *Id.*

16. See Zylberg, *supra* note 14, at 1.

proach to the protection of GIs. Part V illustrates how a comprehensive and multilateral form of GI protection could be provided.

I. DEVELOPMENT OF GI PROTECTION

International commerce has long placed significant importance upon geographical names.¹⁷ For many centuries, products have been advertised and sold based upon the name of the specific region in which they originated.¹⁸ Traditionally, products such as Bordeaux wine and Darjeeling tea have been in high demand, commanding premium prices.¹⁹ Due to existing consumer preferences, these GIs are market assets.²⁰ As international commerce continued to expand after the Industrial Revolution, businesses and developed countries' governments became concerned with the protection of GIs in international markets.²¹

A. The Paris Convention for the Protection of Industrial Property

The Paris Convention, concluded in 1883, was the first multilateral agreement to cover GIs.²² Although the Paris Convention now has 172 contracting parties,²³ its protection of GIs is limited.²⁴ The Paris Convention protects indications of source and appellations of origin.²⁵ In modern terminology, a GI encompasses both of these terms.²⁶ However, a major deficiency of the Paris Convention is its failure to define indications of source and appellations of origin.²⁷ Furthermore, the Paris Convention does not specify what makes a representation of origin false.²⁸

17. JACQUES AUDIER, TRIPS AGREEMENT: GEOGRAPHICAL INDICATIONS 10 (2000).

18. *Id.*

19. *Id.*

20. *Id.*

21. *See id.*

22. *Id.* at 11.

23. WIPO, Paris Convention for the Protection of Industrial Property, Contracting Parties, <http://www.wipo.int/export/sites/www/treaties/en/documents/pdf/paris.pdf> (last visited Feb. 10, 2008).

24. *See* Justin Hughes, *Champagne, Feta, and Bourbon: The Spirited Debate About Geographical Indications*, 58 HASTINGS L.J. 299, 311 (2006).

25. Paris Convention for the Protection of Industrial Property art. 2, Mar. 20, 1883, 828 U.N.T.S. 305, available at http://www.wipo.int/treaties/en/ip/paris/trtdocs_wo020.html [hereinafter Paris Convention].

26. AUDIER, *supra* note 17, at 11. An indication of source is merely intended to designate where a product comes from. *Id.* However, an appellation of origin is more specific in that it denotes certain qualities and characteristics. *Id.*

27. *Id.*

28. GRAEME B. DINWOODIE ET AL., INTERNATIONAL INTELLECTUAL PROPERTY LAW AND POLICY 317 (2001).

Article 10 of the Paris Convention allows for the seizure of imported goods “in cases of direct or indirect use of a false indication of the source of the goods.”²⁹ Article 10 does not provide protection against misleading indications that are not technically false.³⁰ Misleading indications, however, have the potential to deceive consumers; thus, their exclusion from article 10 was a major shortcoming for GI protection under the Paris Convention.³¹ Although article 10*bis* was later added to prohibit acts of unfair competition that mislead the public with respect to the nature of goods,³² U.S. opposition prevented the application of this provision to GIs.³³ Consequently, despite the inclusion of article 10*bis*, the Paris Convention fails to prohibit misleading indications of origin.³⁴

B. The Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods

In 1891, just eight years after the Paris Convention, the Madrid Agreement expanded protection by prohibiting products with false *and* deceptive indications of origin.³⁵ However, the Madrid Agreement does not protect generic terms and allows national courts to determine which indications of origin are generic.³⁶ As a result, with the exception of wine, which is specifically excluded from generic treatment by article 4,³⁷ national courts have been free to develop different approaches to the Madrid Agreement and often have provided limited protection for foreign GIs.³⁸ Moreover, the small number of signatories (thirty-five) has limited

29. Paris Convention art. 10.

30. JAYASHREE WATAL, *INTELLECTUAL PROPERTY IN THE WTO AND DEVELOPING COUNTRIES* 264 (2001).

31. *Id.*

32. DINWOODIE ET AL., *supra* note 28, at 317–18. Article 10*bis* was added during the 1958 Lisbon Revision Conference. *Id.* at 318.

33. As originally proposed, Article 10*bis*(3) provided: “Indications or allegations, the use of which in the course of trade is liable to mislead the public as to the nature, the origin, the manufacturing process, the characteristics, the suitability for their purpose or the quantity of the goods.” *Id.* The United States vetoed the words “the origin,” a reference to geographical indications, because they would have raised too many issues with respect to U.S. law. *Id.*

34. *Id.*

35. See Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods art. 1, Apr. 14, 1891, 828 U.N.T.S. 163, available at http://www.wipo.int/treaties/en/ip/madrid/trtdocs_wo032.html.

36. AUDIER, *supra* note 17, at 11.

37. DINWOODIE ET AL., *supra* note 28, at 318.

38. Jim Chen, *A Sober Second Look at Appellations of Origin: How the United States Will Crash France's Wine and Cheese Party*, 5 MINN. J. GLOBAL TRADE 29, 41 (1996).

the scope of the international GI protection the Madrid Agreement provides.³⁹

C. The Lisbon Agreement for the Protection of Appellations of Origin and Their International Registration

Europe has been the driving force behind international GI protection. Thus, there was little progress on the matter while the continent endured World War I, an economic depression coupled with protectionist trade policies, and World War II.⁴⁰ However, once Europe recovered from World War II, GI protection reemerged as a priority and underwent another round of changes.

The Lisbon Agreement, which was concluded in 1958, represented a significant advance of GI protection.⁴¹ Seventy-five years after the Paris Convention, the Lisbon Agreement finally defined an appellation of origin as “the geographical name of a country, region, or locality, which serves to designate a product originating therein, the quality and characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors.”⁴² One key provision is article 6, which provides that a GI protected in one country can never become generic in another country.⁴³ The Lisbon Agreement also extends protection to false GIs in translated form and prohibits the use of indications paired with approximation terms.⁴⁴

The Lisbon Agreement only protects GIs to the extent they are protected in the country of origin.⁴⁵ As a result, the impact of the Lisbon Agreement’s GI protection is limited because many national legislatures have been unwilling to enact legislation enforcing added GI protection.⁴⁶ The lack of any restriction in article 6 on the classification of generic terms as GIs has also caused countries to be wary of joining the Lisbon

39. See WIPO, Treaties and Contracting Parties, Madrid Agreement, http://www.wipo.int/treaties/en/ShowResults.jsp?country_id=ALL&start_year=1884&end_year=2007&search_what=C&treaty_id=3 (last visited Feb. 10, 2008); AUDIER, *supra* note 17, at 11–12.

40. See Arcelia Quintana-Adriano, *Legal Mercantile Evolution from the Twentieth Century to the Dawning of the Twenty-first Century*, 42 TEX. INT’L L.J. 831, 832 (2007).

41. AUDIER, *supra* note 17, at 11.

42. Lisbon Agreement for the Protection of Appellations of Origin and Their International Registration art. 2(1), Oct. 31, 1958, 923 U.N.T.S. 205, available at http://www.wipo.int/lisbon/en/legal_texts/lisbon_agreement.htm [hereinafter Lisbon Agreement].

43. *Id.* art. 6.

44. AUDIER, *supra* note 17, at 11.

45. WATAL, *supra* note 30, at 265.

46. DINWOODIE ET AL., *supra* note 28, at 319.

Agreement.⁴⁷ Consequently, despite having been open to membership worldwide, there are only twenty-six contracting parties to the Lisbon Agreement.⁴⁸

II. TRIPS PROVISIONS ON GIS

A. The Foundation of TRIPS and the Establishment of its GI Provisions

In the decades following the Lisbon Agreement, counterfeiting, imitation, and use of false indications of origin expanded.⁴⁹ As a result, the EC was determined to enhance GI protection during the Uruguay Round.⁵⁰ Unlike other IP topics negotiated during the Uruguay Round, the battle over GIs was not between developed countries on one side and developing and less developed countries on the other.⁵¹ Instead, it was a battle primarily between “new world” countries such as the United States, Canada, Australia, and many Latin American countries and “old world” countries in Europe.⁵²

In obvious self-interest, European countries, acting through the EC, sought to expand protection for GIs.⁵³ However, the new world countries, which also happened to be some of the world’s leading agricultural exporters, also acted in self-interest by opposing the expansion of GI protection.⁵⁴ The new world countries asserted that the terms immigrants brought with them from Europe had become generic and should not be protected since the terms were no longer associated with the regions in which they had originated.⁵⁵ The battle over GIs, particularly disagree-

47. *Id.*

48. See WIPO, Treaties and Contracting Parties, Lisbon Agreement, http://www.wipo.int/treaties/en/ShowResults.jsp?country_id=ALL&start_year=1884&end_year=2007&search_what=C&treaty_id=10; AUDIER, *supra* note 17, at 11–12.

49. AUDIER, *supra* note 17, at 12.

50. See GATT Negotiating Group on Trade-Related Aspects of Intellectual Property Rights Including Trade in Counterfeit Goods, *Guidelines Proposed by the European Community for the Negotiations on Trade-Related Aspects of Intellectual Property Rights*, MTN.GNG/NG11/W/16 (Nov. 20, 1987) [hereinafter *Guidelines Proposed by the EC*]; GATT Negotiating Group on Trade-Related Aspects of Intellectual Property Rights Including Trade in Counterfeit Goods, *Submissions from Participants on Trade Problems Encountered in Connection with Intellectual Property Rights*, MTN.GNG/NG11/W/7 (May 29, 1987).

51. DINWOODIE ET AL, *supra* note 28, at 321–22.

52. *Id.*; Irene Calboli, *Expanding the Protection of Geographical Indications of Origin Under TRIPS: “Old” Debate or “New” Opportunity?*, 10 MARQ. INTELL. PROP. L. REV. 181, 195 (2006).

53. See *Guidelines Proposed by the EC*, *supra* note 50.

54. See Montén, *supra* note 10, at 334.

55. Calboli, *supra* note 52, at 197–98.

ment over heightened protection for wines and spirits, proved to be one of the principal obstacles to the conclusion of TRIPS.⁵⁶ Ultimately, a compromise was reached and TRIPS entered into force on January 1, 1995 as a part of the WTO Agreement. In stark contrast to the Lisbon Agreement, the vast majority of the world's countries have agreed to TRIPS.⁵⁷

TRIPS was drafted to promote harmonization in the IP realm. The benefit of such harmonization is that "reducing the disparities between national laws will reduce the cost, time, and uncertainty involved in determining and/or acquiring rights, thus reducing barriers to innovation and to global trade."⁵⁸ Furthermore, TRIPS was intended to prevent three specific abuses of GIs: (1) the use of false or misleading GIs; (2) the registration of GIs as trademarks; and (3) the degeneration of GIs into generic terms.⁵⁹ Although TRIPS has ambitious goals for GI protection, it provides minimum enforceable standards and does not "dictate the system that WTO Members must implement to protect GIs."⁶⁰

GI protection under TRIPS can be broken down into three generally stated topics. First, TRIPS requires that WTO members provide certain minimum protections for all GIs. Second, it affords an elevated level of protection to wines and spirits. Third, it defines certain special circumstances in which no protection is required.

B. Article 22: General Protection

Article 22 states the minimum protection that must be provided for all GIs.⁶¹ TRIPS defines GIs as "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."⁶² TRIPS does not define the term "good."⁶³ However, even when the Paris Convention was

56. DINWOODIE ET AL., *supra* note 28, at 321–22.

57. There are 150 countries that are members of the WTO (there are 151 members, including the EC). WTO, Understanding the WTO, Members, http://www.wto.org/english/thewto_e/whatis_e/tif_e/org6_e.htm (last visited Mar. 5, 2008).

58. Graeme B. Dinwoodie, *The Integration of International and Domestic Intellectual Property Lawmaking*, 23 COLUM.-VLA J.L. & ARTS 307, 308 (2000).

59. DINWOODIE ET AL., *supra* note 28, at 329.

60. Statement of Jon W. Dudas, Deputy Under Secretary of Commerce for Intellectual Property and Deputy Director of the United States Patent and Trademark Office, Before the H. Comm. on Agriculture, 108th Cong. (2003), available at <http://www.ogc.doc.gov/ogc/legreg/testimon/108f/dudas0722.htm>.

61. Hughes, *supra* note 24, at 314.

62. TRIPS art. 22(1).

63. AUDIER, *supra* note 17, at 16.

concluded, it was accepted that IP rights attach to all kinds of products.⁶⁴ Thus, under TRIPS, GIs apply to all goods, whether they are natural, agricultural, or manufactured.⁶⁵

In order to establish a GI under TRIPS, “‘a given quality, reputation or characteristic’ must link the goods to their place of origin.”⁶⁶ These attributes may establish a good’s origin individually or in combination.⁶⁷ Thus, protection applies to GIs on goods even when the goods are only identified with an area by reputation.⁶⁸ GIs are not limited to words; therefore, images and packaging could be classified as GIs.⁶⁹ GIs do not, however, apply to services.⁷⁰

A complainant must satisfy three elements in order to establish the violation of a GI under article 22(2)(a), provided the good at issue is not a wine or spirit.⁷¹ First, the presentation of the good must suggest origination in a particular geographical area.⁷² Second, the good must not come from the region suggested by the indication of origin.⁷³ Finally, the representation of origin must be misleading.⁷⁴ However, there are situations in which exceptions preclude GI protection even if the three-part test is satisfied.

Article 22(4) ensures that a true but possibly deceptive indication may not diminish the value of a valid GI.⁷⁵ For example, renaming the Napa Valley region “Burgundy” would not be permissible under article 22(4).⁷⁶ Article 22(4) also applies to geographical homonyms, which are prevalent in countries where immigrants have named new regions after those in their homeland.⁷⁷

C. Article 23: Extra Protection for Wines and Spirits

Article 23 provides an additional layer of protection for wines and spirits. Regardless of consumer confusion, an inaccurate indication of origin

64. *Id.*

65. *Id.*

66. *Id.* at 17.

67. *Id.*

68. WATAL, *supra* note 30, at 267.

69. Hughes, *supra* note 24, at 314.

70. DINWOODIE ET AL., *supra* note 28, at 323.

71. Hughes, *supra* note 24, at 316.

72. TRIPS art. 22(2)(a).

73. *Id.*

74. *Id.*

75. DINWOODIE ET AL., *supra* note 28, at 324.

76. *Id.*

77. AUDIER, *supra* note 17, at 22.

amounts to a per se violation of GI protection for wines and spirits.⁷⁸ Thus, a complainant only needs to satisfy two components under article 23: the presentation of the good must suggest origination in a particular geographical area, and the good must not actually originate in that geographical area. Article 23 also provides wines and spirits with GI protection against GIs in translated form and indications of origin paired with approximation terms.⁷⁹

D. Article 24: Exceptions

The scope of GI protection provided in articles 22 and 23 is curtailed by the exceptions in article 24.⁸⁰ The first two exceptions are grandfather clauses. First, article 24(4) provides an exception to the protection of a GI for wines or spirits that originated in one country if the GI was “used . . . in a continuous manner” in another country either (1) for at least ten years before the date TRIPS was concluded (April 15, 1994), or (2) in good faith prior to the same date.⁸¹ Second, article 24(5) permits a country to avoid invalidating any trademark comprising a GI if rights in that trademark developed prior to (1) the date of TRIPS’s entry into force in that country, or (2) the protection of the GI in its country of origin.⁸²

Article 24(6) removes the obligations of articles 22 and 23 for terms that are generic.⁸³ A term is generic if “the relevant 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.”⁸⁴ This exception exists when a geographical term is identified with a particular product as opposed to a geographical area because consumers do not perceive a link between the product and the identified region.⁸⁵ Each member country determines whether a term is generic (for its internal protection of GIs) based upon the term’s customary usage within that country.⁸⁶ This practice allows for considerable deterioration of GI protection.⁸⁷ The United States, for example, has made considerable use of article 24(6) in its denial of GI protection.⁸⁸

78. TRIPS art. 23(1).

79. *Id.*

80. See DINWOODIE ET AL., *supra* note 28, at 327–29.

81. TRIPS art. 24(4).

82. *Id.* art. 24(5).

83. *Id.* art. 24(6).

84. *Id.*

85. DINWOODIE ET AL., *supra* note 28, at 324.

86. See TRIPS art. 24(6).

87. See WATAL, *supra* note 30, at 270.

88. *Id.* at 270–71.

Article 24(9) states that members are not obligated to protect GIs that are not protected in their country of origin.⁸⁹ Thus, if a GI is not protected in its home country, the GI's protection under TRIPS is optional.⁹⁰ However, the existence of GI protection at home does not automatically create a right to protection in other countries.⁹¹

E. The Debate over Future Negotiations

The TRIPS provisions for GIs represent a hard-fought compromise that leave many issues unresolved.⁹² Both the United States and the EC were unwilling to budge in the GI debate.⁹³ In order to overcome disagreements and enact TRIPS, these parties agreed to several statements in the GI provisions that obligate members to negotiate certain matters in the future.⁹⁴ This was an acceptable compromise under which the United States did not have to concede too much ground to the EC, and the EC was assured of built-in negotiations during which it could work towards expanding GI protection.⁹⁵

Three provisions of TRIPS require future negotiations on GIs. First, article 23(4) requires member states to negotiate "the establishment of a multilateral system of notification and registration of geographical indications for wines."⁹⁶ Second, article 24(1) expressly obligates countries to "enter into negotiations aimed at increasing the protection of individual geographical indications under article 23."⁹⁷ Members may not use the exceptions in article 24(4)–(8) as a pretext for refusing to participate in negotiations.⁹⁸ Third, article 24(2) calls for a continual review of the implementation of the TRIPS GI provisions, including negotiations on a multilateral registration system for wines and on increased protection for individual GIs.⁹⁹

Currently, there are two primary points of contention regarding GIs: (1) establishing a multilateral register for wines and spirits, and (2) extending the higher level of protection afforded to wines and spirits under

89. TRIPS art. 24(9).

90. AUDIER, *supra* note 17, at 19. This is a major shortcoming of TRIPS because many less developed countries do not have the capacity to protect their GIs and will fail to gain protection as a result of this provision. *See id.*

91. *Id.* at 20.

92. *See* Calboli, *supra* note 52, 189–90.

93. *Id.* at 182–83.

94. *See* Hughes, *supra* note 24, at 301.

95. *See id.*

96. TRIPS art. 23(4).

97. *Id.* art. 24(1).

98. *See id.*

99. *Id.* art. 24(2).

article 23 to other goods.¹⁰⁰ The EC supports extensive GI protection through a wine registry and would like to extend article 23's protection beyond wines and spirits.¹⁰¹ The United States disputes both positions.¹⁰²

1. Creating a Multilateral Register for Wines

Concerning the establishment of a multilateral register for wines, the EC submitted a detailed proposal ("EC Proposal") in June 2005 that called for an amendment to TRIPS by means of an annex to article 23(4).¹⁰³ The EC Proposal recommends a presumption of GI protection for registered products.¹⁰⁴ However, this presumption would not exist in countries that lodged a reservation based on permitted grounds¹⁰⁵ and within a specified period.¹⁰⁶

In response to the EC Proposal, the United States and sixteen other countries¹⁰⁷ submitted a "Joint Proposal" document.¹⁰⁸ These countries did not want to amend TRIPS.¹⁰⁹ Instead, they proposed enacting a system in which notified GIs would be registered in a database and countries would have the option to participate in the system.¹¹⁰ Participating members would have to consult the database in their protection of GIs.¹¹¹ Non-participating members would be encouraged but not obliged to con-

100. WTO, Geographical Indications, Background and the Current Situation, http://www.wto.org/english/tratop_e/TRIPS_e/gi_background_e.htm (last visited Feb. 10, 2008) [hereinafter WTO, Geographical Indications]; WTO, *Geographical Indications: Communication from the European Communities*, TN/IP/W/11 (June 14, 2005).

101. THOMAS COTTIER, TRADE AND INTELLECTUAL PROPERTY PROTECTION IN WTO LAW 486 (2005).

102. *See id.* at 488.

103. WTO, Geographical Indications, *supra* note 100.

104. COTTIER, *supra* note 101, at 487.

105. WTO, Geographical Indications, *supra* note 100.

106. Failure to make a reservation within this timeframe would act as a statute of limitations, preventing a country from refusing protection after the term was registered. *See id.*

107. The other countries were Argentina, Australia, Canada, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Japan, Namibia, New Zealand, Philippines, and Chinese Taipei. COTTIER, *supra* note 101, at 488 n.145.

108. *Id.*

109. *See id.*

110. Council for Trade-Related Aspects of Intellectual Property Rights, *Proposal for a Multilateral System for Notification and Registration of Geographical Indications for Wines and Spirits Based on Article 23.4 of the TRIPS Agreement*, paras. 2, 4, TN/IP/W/5 (Oct. 23, 2002).

111. *Id.* para. 3.

sult the database.¹¹² Presumably, some countries would elect not to participate.

Hong Kong entered a "Compromise Proposal" under which a registered term would have a less extensive presumption than under the EC Proposal.¹¹³ The presumption, however, would apply solely in those countries that elected to participate in this compromise system.¹¹⁴ Therefore, the Compromise Proposal suffers from the same opt-out limitation as the Joint Proposal. Despite the Compromise Proposal, no compromise has been achieved, and it does not appear that any compromise is imminent.¹¹⁵

The EC Proposal is the best option. As mentioned above, article 23(4) calls for negotiating "the establishment of a multilateral system of notification and registration of geographical indications for wines."¹¹⁶ It would be against the letter and spirit of TRIPS to settle for the creation a register that could be opted out of by several of the largest economies. Instead, article 23(4) should be interpreted to encourage its members to create a binding registration system that affords full protection for the GIs of wines.

2. Extending the Higher Level of Protection for Wines and Spirits to Other Goods

While article 23(4) sets forth a negotiations agenda, it does not call for negotiations on the expansion of protection outside of wines and spirits.¹¹⁷ The EC claims that TRIPS requires negotiations on including high-quality products in a multilateral register.¹¹⁸ Moreover, the EC argues that the Doha Declaration provides a mandate for such negotiations.¹¹⁹ Although there may be arguments in favor of expanding article 23's protections beyond wines and spirits, there is insufficient support for the EC's position.¹²⁰

Prior to the 2003 Cancun Ministerial Conference, the EC introduced a list of forty-one geographical terms for which it sought TRIPS protection

112. *Id.*

113. WTO, Geographical Indications, *supra* note 100.

114. *Id.*

115. Becki Graham, *TRIPS: Ten Years Later: Compromise or Conflict over Geographical Indications*, 2005 SYRACUSE SCI. & TECH. L. REP. 4.

116. TRIPS art. 23(4).

117. COTTIER, *supra* note 101, at 481.

118. *Id.* at 482.

119. WTO, Geographical Indications, *supra* note 100.

120. In fact, article 24(1) only mentions negotiating increased protection for GIs "under Article 23," which covers only wines and spirits. TRIPS arts. 23, 24(1).

as non-generic GIs.¹²¹ This list—which contained many famous names of cheeses and wines, such as Gorgonzola, Mozzarella, Bordeaux, and Champagne—was characterized by the EC as a “recuperation” of the names.¹²² However, it is informally known as the “claw back” list.¹²³ Ultimately, the Cancun Ministerial Conference collapsed under unrelated matters¹²⁴ and no progress was made on GIs. Regardless, it is unlikely the United States would have agreed to the claw back list.¹²⁵

III. U.S. AND EC PROTECTION OF GIS

The vastly different ways in which the United States and the EC approach IP rights exacerbates the GI debate. The U.S. IP system is driven primarily by an economic philosophy that gives inventors an incentive to create by allowing them to gain financial rewards by protecting their works.¹²⁶ Meanwhile, in relation to the United States, EC IP law emphasizes natural rights and the “importance of reputation and noneconomic aspects of intellectual property.”¹²⁷

A. U.S. Protection of GIs

1. U.S. Protection of Foodstuffs

Within the United States, GIs are protected by trademarks.¹²⁸ Trademarks are part of the United States’ unfair competition law, within which the Lanham Act is the primary statute governing GI protection of foodstuffs.¹²⁹ The Lanham Act defines a trademark as “any word, name, symbol, or device, or any combination thereof . . . used by a person . . . to identify and distinguish his or her goods . . . from those manufactured or sold by others and to indicate the source of the goods.”¹³⁰

121. Hughes, *supra* note 24, at 323.

122. *Id.*

123. *Id.*

124. Peter K. Yu, *The International Enclosure Movement*, 82 IND. L.J. 827, 891 (2007).

125. See Molly Torsen, *Apples and Oranges (and Wine): Why the International Conversation Regarding Geographical Indications is at a Standstill*, 87 J. PAT. & TRADEMARK OFF. SOC’Y 31, 51 (2005).

126. See ROBERT P. MERGES ET AL., *INTELLECTUAL PROPERTY IN THE NEW TECHNOLOGICAL AGE* 11 (3d ed. 2003).

127. *Id.* at 5.

128. United States Patent & Trademark Office, *Geographical Indication Protection in the United States*, http://www.uspto.gov/web/offices/dcom/olia/globalip/pdf/gi_system.pdf (last visited Feb. 10, 2008).

129. See 15 U.S.C. § 1052(e) (2006).

130. *Id.* § 1127.

There are two key objectives of the U.S. trademark system: the protection of merchants and manufacturers who are legitimate trademark holders, and the protection of consumers.¹³¹ Legitimate trademark holders need protection against misappropriation, which arises when other parties attempt to sell their products as if they were produced by the trademark holder.¹³² U.S. trademark law is designed to protect consumers from confusion in the marketplace by ensuring they are not made to believe that unrelated products actually come from the same producer.¹³³

Although the U.S. trademark system does provide GIs with protection, this protection is lost if the trademark becomes generic.¹³⁴ A trademark is generic when it “ceases to serve its function of identifying the source (and quality) of the product or service.”¹³⁵ Once a trademark becomes generic, it can be used to describe any good with similar qualities or characteristics.¹³⁶

2. U.S. Protection of Wines and Spirits

The United States affords higher protection for wines and spirits under the system of “certificates of label approval” governed by the Bureau of Alcohol, Tobacco, Firearms and Explosives (“ATF”).¹³⁷ The ATF labeling provisions “prevent deception of the consumer, . . . provide the consumer with adequate information as to the identity and quality of the product, and . . . prohibit false or misleading statements.”¹³⁸ ATF allows producers to use generic terms with impunity; ATF provisions are likewise lenient with “semi-generic” terms, as long as the label also indicates the true appellation of origin.¹³⁹ The allowance for semi-generic terms, which includes Champagne, Port, and Chablis, is particularly maddening for EC wine producers.¹⁴⁰

131. Ivy Doster, *A Cheese by Any Other Name: A Palatable Compromise to the Conflict Over Geographical Indications*, 59 VAND. L. REV. 873, 888 (2006).

132. *Id.*

133. *Id.*

134. See Committee on Trademarks and Unfair Competition, *21st Century Trademark Basics*, 55 THE RECORD OF THE ASS'N OF THE BAR OF THE CITY OF N.Y. 663, 676 (2000).

135. *Id.* at 677.

136. See *id.*

137. WATAL, *supra* note 30, at 271.

138. Labeling and Advertising Regulations Under the Federal Alcohol Administration Act, 49 Fed. Reg. 31,667, 31,668 (Aug. 8, 1984) (to be codified at 27 C.F.R. pts. 4, 5, 7).

139. 27 C.F.R. 4.24(a)(1)–(b)(1).

140. See Frances G. Zacher, *Pass the Parmesan: Geographic Indications in the United States and the European Union—Can There Be Compromise?*, 19 EMORY INT'L L. REV. 427, 441 (2005).

Both the Lanham Act and the ATF provisions have significant loopholes that allow the United States to avoid strong enforcement of GI protection.¹⁴¹ The EC has urged the United States to eliminate these loopholes, which allow the alleged misappropriation of European GIs.¹⁴²

B. EC Protection of GIs

Rather than using trademarks to cover GI protection, the EC provides protection specifically geared to GIs.¹⁴³ Trademarks and GIs often overlap and perform similar functions.¹⁴⁴ However, a registered trademark does not always provide protection that is coextensive with that of a registered GI. Trademarks grant monopolistic IP rights to a single owner.¹⁴⁵ In contrast, GIs grant protection to all of the qualified goods produced within a particular geographical region.¹⁴⁶ For example, rather than being owned by a single entity, as would be the case with a trademark, the GI of Parmigiano-Reggiano is controlled by about six hundred producers of the cheese, all of which are located within a specific region of Italy.¹⁴⁷ Furthermore, the primary objective of GI measures in the EC is to assist the producer through protection of the economic value inherent in GIs,¹⁴⁸ unlike trademarks, which not only protect rights owners, but function to prevent consumer confusion.¹⁴⁹

1. EC Protection of Foodstuffs

On July 14, 1992, through Council Regulation (EEC) No. 2081/92 (“Regulation 2081/92”), the EC established a register for agricultural products and foodstuffs that qualify for GI protection.¹⁵⁰ Regulation

141. *See id.* at 439–40.

142. *Id.* at 440.

143. *See* Lasse A. Søndergaard Christensen & Janne Britt Hansen, *A Contrast With Trade Mark Law: The Permitted Use of Geographical Indications*, in *TRADE MARKS AT THE LIMIT 35* (Jeremy Phillips ed., 2006).

144. *Id.* at 34.

145. *See* WATAL, *supra* note 30, at 263.

146. *Id.*

147. *See* Sheila Keating, *Parmigiano-reggiano*, *THE TIMES* (London), Oct. 8, 2005, *Times Magazine*, at 75.

148. *See* EU Committee for Geographical Indications, *Why Do Geographical Indications Matter to Us?*, <http://www.eucgi.eu> (last visited Feb. 10, 2008) [hereinafter *Why Do Geographical Indications Matter to Us?*].

149. *See supra* note 131 and accompanying text.

150. *See* Council Regulation (EEC) No. 2081/92, 1992 O.J. (L 208) 1 [hereinafter *Regulation 2081/92*].

2081/92 extends to foodstuffs produced and processed in a particular region.¹⁵¹

Registration of a GI in the EC requires national recognition of the GI and subsequent verification by the European Commission.¹⁵² Generic terms may not be registered in the EC.¹⁵³ The entire EC decides whether a candidate GI is generic.¹⁵⁴ Once a GI is registered, all producers within the particular region who meet certain standards are granted the right to associate the GI with their products.¹⁵⁵ In the EC, prior trademarks do not enjoy primacy over GIs, as provided for by the grandfather clause in article 24(5) of TRIPS.¹⁵⁶ Rather, a trademark and a GI for the same term may co-exist.¹⁵⁷

Regulation 2081/92 grants extensive power to GI holders to prohibit all practices that take unjustified advantage of a GI's reputation.¹⁵⁸ Consequently, the EC's GI protection is stronger and more specifically tied to geographical terms than U.S. trademark law. This stronger protection reflects European cultural values, and the national pride and traditions of European citizens.¹⁵⁹

2. EC Protection of Wines and Spirits

Council Regulation (EEC) No. 2392/89 ("Regulation 2392/89") protects the use of GIs for wines and spirits.¹⁶⁰ It prohibits the use of labeling that is "incorrect or likely to cause confusion" about origin.¹⁶¹ Regulation 2392/89 also prevents the unauthorized use of GIs, and places GI protection above regular trademark protection.¹⁶² It has not been the subject of much controversy.¹⁶³

151. Christensen & Hansen, *supra* note 143, at 35.

152. *Id.* at 35–36.

153. Regulation 2081/92, *supra* note 150, art. 3, at 3.

154. Christensen & Hansen, *supra* note 143, at 40.

155. *Id.* at 36.

156. Montén, *supra* note 10, at 324.

157. *Id.*

158. See Regulation 2081/92, *supra* note 150, art. 13, at 6.

159. In contrast, American consumers do not attach as much importance to GIs as evidence of specific product characteristics as their European counterparts do. See Why Do Geographical Indications Matter to Us?, *supra* note 148.

160. See Council Regulation (EEC) No. 2392/89, 1989 O.J. (L 232) 13.

161. *Id.* art. 40, at (L 232) 35.

162. *Id.* pmb1.

163. See Zacher, *supra* note 140, at 442.

C. The Budweiser Case

The Budweiser Case, the leading WTO case on GIs, involved a Czech brewer, Budejovicky Budvar, who fought against Anheuser-Busch Companies' ("Anhesuer-Busch") use of the trademark "Budweiser" within the EC.¹⁶⁴ Budejovicky Budvar brewed a beer under the EC-registered GI "Budejovicky," the name of a Czech town. The German translation for Budejovicky is "Budweiser."¹⁶⁵ Since translations of GIs are protected under Regulation 2081/92,¹⁶⁶ the EC argued that Anheuser-Busch could no longer use the name "Budweiser" within the EC.¹⁶⁷ The United States countered by arguing that its trademark had been in existence prior to the registration of the "Budejovicky" GI, and that its existing trademark rights within the EC should not be undermined by a subsequent GI.¹⁶⁸

Interestingly, when the WTO Dispute Settlement Body ("DSB") rendered its decision on March 15, 2005, both the EC and the United States claimed victory.¹⁶⁹ The DSB panel concluded that Anheuser-Busch could continue to use its "Budweiser" trademark in the EC.¹⁷⁰ Furthermore, the panel recommended that the EC amend Regulation 2081/92 to render it TRIPS compliant by allowing equal registration access for foreign GIs.¹⁷¹ Despite these case-specific adverse holdings, it appears the EC gained the more favorable holding on GI policy.¹⁷² The DSB holding substantiated the EC's underlying assertion that heightened GI protection for agricultural products is permissible on an international level.¹⁷³ Furthermore,

164. See Panel Report, *European Communities—Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs*, WT/DS174/R (Mar. 15, 2005) [hereinafter *Budweiser Case*].

165. Eva Gutierrez, *Geographical Indicators: A Unique European Perspective on Intellectual Property*, 29 HASTINGS INT'L & COMP. L. REV. 29, 47 (2005).

166. Regulation 2081/92, *supra* note 150, art. 13(1)(b), at 6.

167. See *Budweiser Case*, *supra* note 164, ¶ 6.30.

168. See *id.* ¶ 6.31.

169. The United States Trade Representative said the WTO's holding in the *Budweiser Case* supported the U.S. assertion that prior trademark rights are superior to GIs. Gutierrez, *supra* note 165, at 48. The ruling also supported the EC's position because it "upheld the EU system of granting increased GI protection to agricultural products, and recognized that GI protection can coexist with trademark protection, as two separate forms of IP." *Id.*

170. See *Budweiser Case*, *supra* note 164, ¶ 8.1(c).

171. See *id.* ¶ 8.5. In order to be registered within the EC, a GI had to be protected by a GI system in its home country. Therefore, Council Regulation 2081/92 violated national treatment requirements because, in practice, a GI could only be protected if its home country had a GI system comparable to the EC's.

172. See *id.* ¶ 7.755.

173. Gutierrez, *supra* note 165, at 49.

the panel stated that article 24(5) allows for the coexistence of trademarks and GIs, and acts as the "boundary" between trademarks and GIs.¹⁷⁴

IV. WHAT THE UNITED STATES WILL NOT LOSE AND WHAT IT STANDS TO GAIN

Unfortunately, the United States has not been inclined to make concessions to the EC on GIs.¹⁷⁵ However, the downside to enhanced GI protection is not as great as the United States has claimed, and there are several ways the United States would benefit from enhanced GI protection.

A. The Potential Losses Are Exaggerated

Although the United States has presented a parade of horrors to describe the effects of strong GI protection,¹⁷⁶ it is important to note that the United States does have valid concerns about the expansion of GI protection, particularly for terms already considered generic in the United States. Concerns about consumer confusion and increased marketing and labeling costs are warranted. Likewise, U.S. producers are reasonably concerned that Europeans would be able to free ride on decades of marketing and product name familiarity generated by American companies.¹⁷⁷ However, these concerns are often taken too far with claims that strong GI protection would result in EC producers' monopolization of GI products¹⁷⁸ and "create gridlock and confusion in U.S. supermarket aisles."¹⁷⁹ Therefore, before delving into ways in which the United States would benefit from enhanced GI protection, it is necessary to demonstrate how the United States has exaggerated the losses that would result from such protection.

1. The Transition Period

The harm from consumer confusion and lost sales would be mitigated by allowing companies sufficient time to adjust the names of their GI-infringing products. For example, the EC provides for transi-

174. Budweiser Case, *supra* note 164, ¶ 7.583.

175. *See, e.g.*, Torsen, *supra* note 125, at 52.

176. *See Cox, supra* note 11.

177. *See Zacher, supra* note 140, at 434. For example, "[p]armesan cheese is not on the tip of everyone's tongue because of anything anyone in Parma, Italy, ever did." *Id.* Thus, the United States believes it would be unfair to grant these producers exclusive rights to the term. *See id.*

178. Montén, *supra* note 10, at 340.

179. Cox, *supra* note 11.

tional periods of between five and fifteen years.¹⁸⁰ This additional time would allow companies to sell the remainder of their GI-infringing products, come up with new product names, and design new product labels. Furthermore, companies could also make use of this time by reeducating the public as to the name of their products through advertising and product labeling.¹⁸¹ In short, a transition period would mitigate the harmful effects of enhanced GI protection by allowing consumers and producers to adjust.

2. The One-Time Cost

The amount of harm that would result from increased GI protection would also be limited because the re-naming of a product would only occur once.¹⁸² After producers adjusted to the enhanced protection for GIs, the costs would not recur.¹⁸³ Although the adjustment costs could be significant, they would not necessarily amount to a loss in market share, which would be much more debilitating.

3. The Existence of Other Factors for Product Identification

A product's name is far from the be-all, end-all of product identification. Other factors, such as the product's packaging, labeling, store placement, and actual appearance, can be key determinants in helping a consumer locate a specific product. For example, a consumer could still find Kraft Parmesan Cheese by looking for a green cylindrical can with a "Kraft" label near the spaghetti and spaghetti sauce, regardless of whether the can actually says "Parmesan Cheese" on it. Moreover, the product composition itself would remain the same, so consumer satisfaction would not be compromised.

4. The Advantage of Low-Priced Goods Would Persist

Even with strong GI enforcement measures, domestic companies' mass-produced items would still enjoy economies of scale and accompa-

180. If an unregistered GI has been in existence for at least twenty-five years, it will be provided with a maximum transition period of fifteen years. Council Regulation (EC) No. 692/2003, para. 12, 2003 O.J. (L 099) 1 (amending Regulation 2081/92) [hereinafter Regulation 692/2003].

181. New labels could be phased in during a transition period to mitigate consumer confusion. Transitional labels could incorporate both the GI and the new product name to educate consumers.

182. See Aaron C. Lang, Note, *On the Need to Expand Article 23 of the TRIPS Agreement*, 16 DUKE J. COMP. & INT'L L. 487, 509 (2006).

183. *Id.*

nying price advantages over European GI-protected products.¹⁸⁴ Thus, another limitation on the parade of horrors argument is that many consumers would still choose to purchase the lower-priced, non-GI-protected product.¹⁸⁵ Furthermore, it is not a given that GI protection amounts to increased market share.¹⁸⁶ For example, despite the fact that eighty-five percent of French wine exports incorporate protectable GIs, in the past few years, French wines have lost market share in North America and the United Kingdom to countries with much weaker GI protection.¹⁸⁷

5. The Administrative Costs Are Exaggerated

U.S. policymakers have also argued that the extra administrative costs for a GI system would be too high.¹⁸⁸ However, the United States has exaggerated the burden that such costs would impose. The administrative costs “would be negligible in comparison with the costs of implementing the obligations of the Uruguay Round.”¹⁸⁹ These additional administrative costs complained of by the United States are normal for any multilateralization of IP rights and are no different from what the United States expects many other countries to spend on IP enforcement matters.

6. The Monopoly Concerns Are Unreasonable

Concerns that extended GI protection would result in EC monopolization of certain items are unreasonable.¹⁹⁰ Although a region’s producers would gain an oligopoly over the name embodied in a GI,¹⁹¹ non-regional producers could continue producing the same products they now offer.¹⁹² “Rather than leading to monopoly, consumers would be free to choose

184. See Kal Raustiala & Stephen R. Munzer, *The Global Struggle over Geographic Indications*, 18 EUR. J. INT'L L. 337, 348 (2007).

185. See Doster, *supra* note 131, at 898.

186. See Hughes, *supra* note 24, at 346.

187. *Id.*

188. See, e.g., Montén, *supra* note 10, at 340.

189. Felix Addor & Alexandra Grazioli, *Geographical Indications Beyond Wines and Spirits: A Roadmap for a Better Protection for Geographical Indications of Origin in the WTO TRIPs Agreement*, 5 J. WORLD INTELL. PROP. 865, 887 (2002).

190. See David R. Downes, *How Intellectual Property Could Be a Tool to Protect Traditional Knowledge*, 25 COLUM. J. ENVTL. L. 253, 271 (2000) ([G]eographical indications . . . do not confer a monopoly right over the use of certain information, but simply limit the class of people who can use a specific symbol. . . . They are designed to reward goodwill and reputation created or built up by a group of producers over many years In this sense, they can operate to maintain traditional knowledge and practices.”).

191. See *id.*

192. Calboli, *supra* note 52, at 199–200.

between a product from a given region with a given GI, and a similar product that does not originate from the same region.”¹⁹³ Such a scenario would be good for competition and allow products to “compete on their own merits.”¹⁹⁴

B. Benefits to the United States

The United States often focuses on the economic losses that would result from enhanced GI protection.¹⁹⁵ Rarely, however, does the United States acknowledge the domestic benefits that would arise from enhanced GI protection.

1. Creation of GI Assets

a. Worldwide Protection of Existing GIs

If the scope of TRIPS were expanded, existing U.S. products such as Florida oranges, Idaho potatoes, Vidalia onions, and Washington State apples would gain international protection.¹⁹⁶ This would certainly be preferable to the existing international protection of U.S. GIs. As indicated earlier, TRIPS often provides limited protection or no protection at all for GIs.¹⁹⁷

b. Creation of New GIs

In addition to protecting existing GIs, many regions within the United States could establish and register their own new GIs.¹⁹⁸ Thus what is often perceived as a competitive disadvantage could actually develop into a fertile opportunity.¹⁹⁹ GIs would be particularly useful for U.S. food producers due to their creation of a sense of place.²⁰⁰ Because a GI is indicative of the place from which it derives, it imparts notions of quality and locality to the products it is attached to, distinguishing those products from mass-produced alternatives.²⁰¹ Moreover, GIs capitalize

193. Montén, *supra* note 10, at 344.

194. *Id.* at 344–45.

195. *See, e.g.*, Statement of Jon W. Dudas, *supra* note 60.

196. *See* Calboli, *supra* note 52, at 200 (arguing that expanded GI protection could assist local agricultural interests in new world countries).

197. *See supra* Part II.D.

198. *See* Doster, *supra* note 131, at 899.

199. Calboli, *supra* note 52, at 201.

200. *See* Torsen, *supra* note 125, at 31.

201. COTTIER, *supra* note 101, at 480.

on the consumer trend of purchasing “lower volume niche or specialty products” in lieu of commonplace, mass-produced items.²⁰²

The Australian wine industry exemplifies the benefits of creating new GIs.²⁰³ Australia signed a bilateral agreement with the EC in 1994 and agreed to stop using European regional names to describe wines.²⁰⁴ Rather than decreasing the competitiveness of Australian wine, the agreement led to “the making of the Australian wine industry.”²⁰⁵ Australia relied on its own regional names and product quality to become “the world’s most dynamic wine industry.”²⁰⁶ In the 1990s, Australia’s wine exports boomed, growing five-fold over the course of the decade.

2. GI Protection as a Bargaining Chip

It may be unrealistic to expect the United States to agree with the EC’s position on GIs without the United States receiving some sort of immediate benefit. A monetary contribution to the United States and other similarly situated countries would likely be cost prohibitive.²⁰⁷ Rather than pressing for a payment scheme, the United States should consider fully adopting the EC’s position on GI matters in exchange for significant reductions in the EC’s agricultural subsidies and tariff rates. In short, if the EC is truly serious about GI protection, at minimum it should agree with the United States’ Portman Proposal to reduce EC agricultural tariffs and subsidies.²⁰⁸ The EC has received harsh criticism for its agricultural protectionism and maintains an increasingly untenable position.²⁰⁹ Likewise, the United States is much maligned for its opposition to GI expansion, as criticism of the United States is increasing among developing and less developed countries.²¹⁰ Consequently, these points would be fertile ground for negotiation, concession, and agreement

A U.S.-EC agreement could contemplate an IP-for-agriculture swap, not unlike the Uruguay Round’s “Grand Bargain.”²¹¹ Although GIs fall

202. *Id.*

203. See Calboli, *supra* note 52, at 200–01.

204. *Id.*

205. *Id.* at 201; *Protecting Names*, *ECONOMIST*, Aug. 2, 2003, at 49.

206. Calboli, *supra* note 52, at 201; *Protecting Names*, *supra* note 205.

207. Zacher, *supra* note 140, at 462. In addition, it would be difficult to calculate what a reasonable payoff would be.

208. In reality, the EC’s offer in response to the Portman Proposal fell short of expectations. Sungjoon Cho, *Doha’s Development*, 25 *BERKELEY J. INT’L L.* 165, 173 (2007).

209. Hughes, *supra* note 24, at 344. The pressure to lower subsidies in the EC is not only international, but is also strongly applied by constituencies within the EC. *Id.*

210. See Calboli, *supra* note 52, at 195.

211. See Frank J. Garcia, *Beyond Special and Differential Treatment*, 27 *B.C. INT’L & COMP. L. REV.* 291, 297 (2004).

within IP, they could easily be categorized under agriculture, because the majority of GIs involve the IP protection of agricultural products. Consequently, a U.S.-EC agreement could actually be characterized as an agriculture-for-agriculture bargain. Such an agreement might be more palatable to national legislatures, because many of the same interests would be involved on both sides of the transaction. The EC, for its part, has already expressed interest in an exchange of GI protection for agricultural liberalization.²¹² As a result, there is reason to hope that such an exchange could take place.

3. One Less Dispute in the Doha Round

The dispute over GIs is not the cause of the Doha Round's stalled status.²¹³ However, if an agreement could be reached over GIs, there would be one less dispute in the Doha Round. Even if the EC did not make concessions to the United States, an agreement on the expansion of GIs could generate much-needed goodwill within the Doha Round and contribute to the momentum that is necessary for the completion of trade round negotiations. The advancement of the Doha Round is vital for the United States' economic health, as it is the country with the world's largest trading volume.²¹⁴

The United States should attempt to reach an agreement with the EC soon because other countries are increasingly siding with the EC.²¹⁵ By reaching an agreement on GIs, the United States could avoid the costs associated with a protracted battle over the issue. Furthermore, a multilateral GI framework could provide consistency and direction on GI matters.

4. The United States Could Increase its Credibility in the IP Realm

The United States is one of the strongest proponents for the development and enforcement of international IP rights protection.²¹⁶ Meanwhile, the United States opposes the expansion of GI protection.²¹⁷ Con-

212. COTTIER, *supra* note 101, at 487.

213. See Bradley M. Bashaw, *Geographical Indications in China: Why Protect GIs with Both Trademark Law and AOC-Type Legislation?*, 17 PAC. RIM L. & POL'Y J. 73, 93 (2008) (stating that "[p]arties are deadlocked on greater agricultural issues").

214. See WTO, Trade Policy Review, United States: September 2001, http://www.wto.org/english/tratop_e/tpr_e/tp172_e.htm (last visited Mar. 5, 2008).

215. See COTTIER, *supra* note 101, at 484–85.

216. Michelle Agdomar, *Removing the Greek from Feta and Adding Korbel to Champagne: The Paradox of Geographical Indications in International Law*, 18 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 541, 553–54 (2008).

217. *Id.* at 554.

tinued resistance by the United States may send mixed signals to other countries regarding the U.S. commitment to international IP rights.²¹⁸ Developing and less developed countries may begin to believe that the United States only seeks to multilateralize and enforce IP rights that protect its own economic interests.²¹⁹ However, if the United States were to concede to an IP measure it had argued was contrary to its interests, the United States could gain some credibility with other countries in its push for IP protection.

5. Improved Consumer Choice

Enhanced GI protection would allow U.S. consumers to make fully informed decisions about the products they purchase.²²⁰ Additionally, accurate labels guaranteeing the product's origin would protect consumers.²²¹ For example, a consumer purchasing Feta cheese could be completely confident that they had bought the authentic Greek cheese made from sheep's milk, as opposed to an American cheese actually derived from cow's milk. Furthermore, as WTO Director-General (former European Trade Commissioner) Pascal Lamy noted, GIs "stimulate quality and consequently strengthen competitiveness."²²²

V. ESTABLISHING A COMPREHENSIVE GI FRAMEWORK

The extension of GI protection under TRIPS would be a complex process.²²³ In order to more easily conceptualize the process, negotiations for enhanced GI protection can be viewed as comprising three steps: first, establishing a multilateral register for wines and narrowing the article 24 exceptions; second, extending the protections for wines and spirits under article 23 to other goods; and third, including all GIs in the multilateral register. Although these three steps are discussed in the ideal chronological order, with some hard work, all of them could be completed within the Doha Round, provided it does not collapse.²²⁴

218. See COTTIER, *supra* note 101, at 485.

219. Under a retaliatory "tit-for-tat" approach, other countries might emulate the United States by picking and choosing which IP measures to follow.

220. Doster, *supra* note 131, at 897.

221. *Id.*

222. *EU/WTO: Lamy Defends Geographical Indications for Local Food Products*, EUR. REP., June 14, 2003.

223. In fact, even getting all of the WTO countries to comply with and enforce existing TRIPS provisions would be quite a challenging task.

224. This is an admittedly ambitious, although not unreasonable, proposal for GI expansion.

In order to secure expanded protection for GIs, the United States would need to completely overhaul its negotiation strategy. Instead of dodging the issue or downplaying the importance of GI protection, the United States should portray GIs as a viable form of IP that must be protected. In doing so, the United States should attempt to garner support from other countries, especially current GI expansion opponents Argentina, Australia, Brazil, and Canada, to join in the shift to the pro-GI expansion group. The United States should provide a reasonable and accurate summary of losses that would be likely to arise from expanded GI protection, rather than the exaggerated claims which have typically been advanced.²²⁵ U.S. representatives would have to remain consistent in these efforts throughout the three-step process described below.

A. Step One: Establishing a Multilateral Register for Wines and Paring Down the Exceptions of Article 24

The first step would be the creation of a multilateral register for wines. This is the most reasonable point from which to launch the expansion of GI protection since proposals have already been submitted on the topic. Furthermore, the creation of a multilateral register for wines is expressly provided for under TRIPS and would not require an amendment. The register could be modeled after the 2005 EC Proposal.

In order to establish strong GI protection, article 24's exceptions and limitations would have to be pared down. It would be ideal to complete this during the first step of negotiations in order to provide substance to the wine register and the subsequent enhancements of GI protection. The provisions within article 24(4)–(6) exclude several products with significant commercial value from GI protection. Consequently, this would be the most controversial sub-issue in GI negotiations.

The grandfather clauses of article 24(4)–(5) would need to be eliminated. Otherwise, TRIPS would be authorizing a form of IP adverse possession in which some of the most exploited GIs would not be covered.²²⁶ With regard to generic GIs, TRIPS should be altered to adopt the Lisbon Agreement's bar on genericism for any GI protected within the territory of any WTO member.²²⁷

225. See *supra* Part IV.A.

226. Just because Kraft originally adopted Parmigiano-Reggiano's indication of origin more than sixty years ago does not make it any less of an IP right appropriation than, for instance, the illegal pirating of DVDs.

227. Lisbon Agreement art. 6. A worrisome shortcoming of such a provision, however, as with TRIPS article 24(9), is that poorer countries' failures to protect their own GIs would simultaneously prohibit the multilateral protection of these GIs.

B. Step Two: Extending the Protection of Article 23

The second step would be to amend TRIPS so that the extra protection wines and spirits receive would be provided to all other GIs. In 2002, thirty-seven countries supported a proposal to the WTO aimed at expanding the extra protection of article 23 to all GIs,²²⁸ reflecting a broad base of support for such an expansion. Furthermore, this would be an appropriate second step because article 23's provisions would not require any complicated amendments. In short, the terminology of article 23 could apply in toto to all GIs, rather than just wines and spirits.

In expanding enhanced GI protection to include other goods, it is important to consider the boundaries of GI protection. For example, would restaurant menus be barred from describing a dish as "Prosciutto di Parma" if the ham was actually from Canada? Arguably, GI protection should include restaurant menu items because the exact same concerns regarding IP right infringement that exist within a grocery store are present in a restaurant. However, restaurant names, such as Olive Garden Italian Restaurant or Carlos O'Kelly's Mexican Café, should generally be excluded from GI protection because descriptive terms encompassing broad culinary traditions do not embody the specific reputational characteristics that are the essence of GI protection.

C. Step Three: Extending the Multilateral Register to All GIs with a Built-In Transitional Period

Logically, the next step would be to expand the register beyond wines. This expansion would be facilitated by the existing wine register because the newly registered GIs could simply be incorporated into it. Consequently, the many issues involving registration would not have to be rehashed. Moreover, if article 23's GI protection were expanded to all GIs, an all-inclusive registration system would be optimal.

Once this multilateral register for all GIs was established, a transitional period to allow infringing producers time to alter their products' names to accommodate newly registered enhanced GIs should be provided. Much like the implementation of the existing GI system within the EC, a five to fifteen-year adjustment period would be appropriate for developed countries to transition.²²⁹ Due to the burden of the adjustment and its corresponding administrative costs, developing and less developed countries should be provided with longer transition periods.

228. COTTIER, *supra* note 101, at 484–85.

229. See Regulation 692/2003, *supra* note 180.

CONCLUSION

The foregoing examination of the GI stalemate between the United States and the EC prompts two main conclusions. First, the current position of the United States is unsustainable. The world is increasingly recognizing the significant IP rights entailed by GIs. Accordingly, there is mounting pressure on the United States to agree to an expansion of GI protection. Second, the United States could actually benefit from stronger GI protection. Rather than focusing on the long-term benefits that GI protection could afford, U.S. negotiation efforts have been short-sighted and focused almost exclusively on the economic losses that would result.

Based upon the two conclusions mentioned above, it would be in the best interests of the United States to adopt a European approach to GIs. "To characterize the U.S.-EU trade relationship as anything less than the most important bilateral alliance in international trade would be a gross understatement."²³⁰ Thus, the U.S.-EC agreement I have hypothesized would be a step in the right direction. With some luck, it could just be the missing ingredient in the incomplete recipe that is the Doha Round.

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230. Charles W. Smitherman III, *The New Transatlantic Marketplace: A Contemporary Analysis of United States-European Union Trade Regulations and Possibilities for the Future*, 12 MINN. J. GLOBAL TRADE 251, 255 (2003).

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