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Geographic Indications

Some countries have *sui generis* systems for protecting *geographical indications*. The United States mostly does not; we protect them primarily – but not exclusively – with trademarks, certification marks, and false-advertising law.. Still, there are some geography-specific doctrines in U.S. IP law, and it is worth asking what makes place names special.

An underlying question is how terms become geographical designators in the first place. Some arise organically from local usage over time; others are assigned by official bodies. And sometimes – as when real estate brokers try to rebrand the Sewerville neighborhood as West Fancytown – there is a self-conscious but unofficial effort at work.¹ For two interesting snapshots with occasional parallels to the trademark system, see U.S. Board on Geographic Names, *Policies, Principles, Procedures: Domestic Geographic Names* (2016), and Margaret A. Corwin, *Street-Naming and Property-Numbering Systems* (American Planning Association, 1978).

A Terroir and TRIPs

In one sense, a geographic term is like any other descriptive (or mis-descriptive) term: it makes a claim about the geographic origin of the goods. But this raises an important question. *Why* does it matter where goods come from?² Geographic origin is not itself a concrete property that consumers can perceive. Why isn't a widget a widget irrespective of where it comes from?

One answer is that geographic origin is that consumers have non-product-related reasons to buy goods from a particular place. Perhaps Americans want to buy "Made in the U.S.A." clothing out of patriotic pride, or buy razors from a factory in Germany out of a belief that they will be made to exacting standards of quality control. For some, there is a romance to holding in their hands a thing that came from a faroff place; for others, geographic origin is part of the process by which they can be assured that the goods were created with ethical labor and environmental.

But another possible answer is that for certain kinds of goods, the geographic origin is absolutely inseparable from essential characteris-

1. Nestor M. Davidson & David Fagundes, *Law and Neighborhood Names*, 72 *VAND. L. REV.* 3 (2019).

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

tics of those goods. This theory is associated primarily with agricultural products, and especially with foods, wines, and sprits. This is the theory of *terroir*: that there are unique characteristics of the environment – particularly the soil – in particular regions, and that traditional methods of making foods and drinks identified with those places create goods with distinctive tastes and textures that simply cannot be replicated in any other place. Justin Hughes elaborates:

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

The [French government] regulates not just the geographic boundaries for each AOC, but all "conditions of production," including, for wine, the grape varieties, hectare production quotas, natural alcohol content during vinification, permitted irrigation, etc. The *Institut National des Appellations d'Origine* (INAO) regulations for AOC cheese place varying legal requirements on rennet used in coagulation, curd drainage, milk temperature at different points in curdling, salting, and the use of lactic proteins.³

The French AOC system is a government-run food-labeling regulation system – much like the U.S. system administered under the FDCA – that includes geographic origin as part of the characteristics being regulated. Just as "golden king crabmeat" must be from the species *Lithodes aequispinus*,⁴ a "Muscadet-Côtes de Grandlieu" wine must be from a 700-hectare region (about 1,750 acres) near Nantes.

But all of this is French law. What about outside of France? The 1991 Uruguay Round of the TRIPS (Trade-Related Aspects of Intellectual Property) treaty included provisions on protecting geographical indications which fully embraced the *terroir* theory. A "geographical indication" was defined as a indication that "identify a good as originating in [a region] where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin."⁵ TRIPS members were required to prevent the use of any designations that "indicates or suggests that the good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the good"⁶ – i.e., to provide false-advertising protections against misleading geographic claims – and to deny trademark registration for marks containing misleading geographical claims.⁷

Despite its enshrinement in TRIPS, there are two serious problems

3. *Id.*

4. 21 CFR § 102.50.

5. TRIPS art. 22(1).

6. TRIPS art. 22(2).

7. TRIPS art. 22(3).

with the theory of *terroir*. The first is that it simply not clear that there is anything there.⁸ It supposedly depends on an intimate and precise set of environmental factors. But there is immense variation in soil and climate even within designated AOC regions, and the methods used within them have changed immensely over time. In some cases, the wine produced within an AOC region is made with *entirely different grape varieties* than it used to be, a dramatic change that would presumably swamp any subtle differences due to soil quality. Production methods have proven quite capable of being adopted successfully in new regions; witness the growth of California wine country. And in blind tastings, even experts have difficulty discerning these essential qualities that *terroir* supposedly imbues wines with.

The second problem is that as soon as one subjects *terroir* to more than cursory analysis, it becomes clear how deeply embedded it is in imperialism, racism, and economic protectionism. Kolleen Guy notes that France extended its AOC system only to domestic regions, and not to its colonial *départements et régions d'outre-mer*: "Colonial products were excluded from AOC protections because it was believed that they lacked the quality and superiority locked in the land that produced 'Frenchness.'" French-produced AOC wines were sold for export at a premium, while non-AOC wine produced in Algeria was kept cheap for consumption in France. The AOC system guards a kind of symbolic nationalist purity.

B United States Law

The United States does not have a *sui generis* geographical indication regime, the way that European countries like France and Italy do. Instead, geographic claims are mostly processed through the false-advertising and trademark systems.

Start with false advertising. Materially false or misleading geographic claims can be the subject of a suit under Lanham Act section 43(a)(1)(B), just like any other materially false or misleading claim. In addition, some sellers must affirmatively disclose the geographic origin of their products. For example, the Textile Products Identification Act requires that any "textile fiber product" (e.g. clothing, sheets, tablecloths, etc.) must bear a stamp, tag, or label that discloses the "name of the country where [it was] processed or manufactured."⁹

Now for trademarks. The Lanham Act adds a few specific rules on geographic marks to limit the category of registrable trademarks. In substance, they basically parallel the rules on descriptive and deceptive marks, but the terminology is a little different.

Section 2(e)(2) of the Lanham Act prohibits registration of marks that are "primarily geographically descriptive" *except* for collective and certification marks.¹⁰ The new part here is the point that collective and certification marks *can* be geographically descriptive, as long as the description is accurate. Thus, VIDALIA for onions is a registered certification mark for sweet onions grown in a region near Vidalia, Georgia

8. Hughes, *supra* note 2.

9. TPIA at § 70b

10. Lanham Act § 2(e)(2)

under a certification managed by the Georgia Department of Agriculture.¹¹

Section 2(e)(3) prohibits registration of marks that are “primarily geographically deceptively misdescriptive.”¹² This is probably the worst term of art in all of trademark law – nay, in all of IP law. Not only is it more than a mouthful, it also hides what is really going on. It *looks* like this is a geographic twist on misdescriptive marks. But the key word is “deceptively: this is really an application of the rule that *deceptive* marks are unregistrable. By whatever name, a mark is “primarily geographically deceptively misdescriptive” when

- (0) the primary significance of the mark is a generally known geographic location,
- (1) the goods do not come from that place,
- (2) the consuming public is likely to believe the place identified by the mark indicates the origin of the goods bearing it, and
- (3) the misrepresentation was a material factor in the consumer’s decision.¹³

In this test, (1), (2), and (3) should be familiar: they are the falsity, belief, and materiality elements of the test for deceptive marks in the Other Advertising chapter. All that is new is element (0), that the mark’s significance is geographic. In other words, deceptive geographic marks obey the general rule against registering deceptive marks. They just do so under a different name: “primarily geographically deceptively misdescriptive.”¹⁴

Guantanamera Cigar Co. v. Corporacion Habanos
729 F. Supp. 2d 246 (D.D.C 2010)

I. FACTUAL BACKGROUND

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

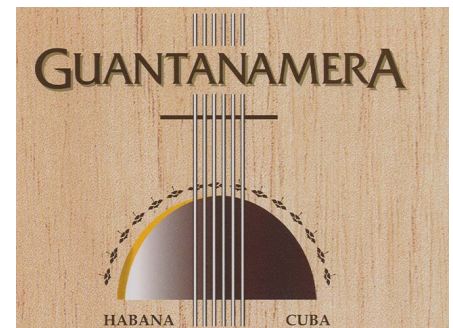
Habanos, jointly owned by the Cuban government and a Spanish entity, manufactures cigars. The Cuban embargo prohibits Habanos from exporting cigars into the U.S. Habanos, however, owns trademarks on many cigar brands outside the U.S.,

11. Do you see the logic behind allowing a geographically descriptive term like this to be used as a certification mark? Do you see why this logic does not extend to generic marks?

12. Lanham Act § 2(e)(3).

13. *In re Cal. Innovations, Inc.*, 329 F.3d 1334 (Fed. Cir. 2003) (rearranged, paraphrased, and renumbered).

14. The test is never actually stated this way. It is usually described as a three-part test, in which our (1) and (2) are combined.



Habanos’s GUANTANAMERA logo



GCC’s GUANTANAMERA logo

including registrations or applications for GUANTANAMERA in more than 100 countries in the world. On December 29, 1998, Habanos applied for the mark in Cuba, and registered the mark on March 13, 2001. Habanos applied for a U.S. Trademark on April 15, 2002, but its application remains suspended because of GCC's prior application.

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

II. DISCUSSION

a. Geographic Location

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

b. Goods-Place Association

There is sufficient evidence to find that the consuming public is likely to believe that the Plaintiff's cigars originate from Cuba. If consumers are likely to believe that the place identified on the mark is the origin of the goods, when in fact the goods do not come from that place, the element is satisfied. . . . The Federal Circuit characterized this element as a "relatively easy burden of showing a naked goods-place association."

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

c. Materiality

The TTAB stated two reasons why the misrepresentation is material in the minds of consumers: (1) Cuba's "renown and reputa-

tion for high quality cigars” and (2) the plaintiff’s subjective intent to deceive customers evidenced by previously placing “Guantanamo, Cuba” and “Genuine Cuban Tobacco” on the packaging. . . .

The Court finds the plaintiff’s false claims on the packaging . . . inadequate . . . First, the registrant’s subjective intent provides little, if any, insight into the minds of consumers. Consumers could have numerous reasons as to why they purchase Guantanamo cigars, but without any objective findings, it is difficult to make an accurate conclusion as to whether the geographic misdescription will materially affect a “substantial portion” of consumers. . . .

Habanos . . . argues that there are millions of Spanish speakers in the U.S., that the English speaking public recognizes “guantanamo” to mean Guantanamo, Cuba, and that GCC targeted Spanish speaking consumers. Nevertheless, this evidence fails to determine that a substantial proportion of the target audience would be deceived into purchasing the cigars because of the false goods-place association. Habanos never introduced evidence that suggested material deception of a substantial proportion of the relevant consuming public.

C Wines and Spirits

The French are serious about their wine, and so is the French AOC system. There are over 350 AOCs for wine protected under French law, including heavy hitters like “Bordeaux” and “Sauternes.” Indeed, there is probably no industry in the world that has more fervently embraced the logic of *terroir* than wine: wine stores group wines by their country and region of origin.

TRIPS includes heightened protections for wines and spirits that go above and beyond the rules applicable to all goods discussed above. The use of geographic indications for wines and spirits “not originating in the place indicated” is forbidden “even where the true origin of the goods is indicated or the geographical indication is used in translation or accompanied by expressions such as ‘kind,’ ‘type,’ ‘style,’ ‘imitation’ or the like.”¹⁵ This standard would prohibit an American vineyard from selling “Champagne-type sparkling wine from Napa Valley.”

United States law mostly laughs at TRIPS’s rules on wines and spirits. For spirits, the general rule is that “geographical names for distinctive types of distilled spirits” must be accompanied by “the word ‘type’ or the word ‘American’ or some other adjective indicating the true place of production” and must actually “conform” to the style of that region.¹⁶ Thus, “Sonoma Valley Sancerre” is acceptable under United States law, regardless of how offensive the term would be to a French winemaker. Even this requirement does not apply to spirit names that “lost their geographical significance to such extent that they have

become generic,"¹⁷ such as "London dry gin." If the name is neither generic nor the name of a distinctive type of spirit, geographical terms must actually designate the place of origin. Thus, "Jamaica rum" makes a claim about geographic origin that must be true in a false-advertising sense.

Only in a few places are wine-and-spirit geographic indications actually protected under U.S. law. The standards of identity for some liquors includes a geographic component: "Scotch whisky" must be manufactured from Scotland¹⁸, "pisco" must be grape brandy from Chile or Peru¹⁹, and "bourbon" must be produced in the United State²⁰ In addition, a short list of wines is treated as "semi-generic."²¹ Anyone who was selling wine under one of these names before March 10, 2006 may continue to use that name provided they appropriately disclose the geographic origin of their wines ("American Champagne").²² Otherwise, Champagne must either come from and be produced under the rules of the Champagne AOC, or be marked with a different name, such as "sparkling wine."

Finally, geographically misdescriptive trademarks for wines or spirits may not be registered. Section 2(a) of the Lanham Act prohibits registration of any "geographical indication which, when used on or in connection with wines or spirits, identifies a place other than the origin of the goods."²³ The missing word here is "primarily." Secondary meaning cannot be used to overcome the misdescriptiveness problem.

17. 27 C.F.R. § 5.22(k)(2)

18. 27 C.F.R. § 5.22(b)(7)

19. 27 C.F.R. § 5.22(d)(9)

20. 27 C.F.R. § 5.22(l)(1).

21. 26 U.S.C § 5388(c)(2)(B) ("Angelica, Burgundy, Claret, Chablis, Champagne, Chianti, Malaga, Marsala, Madeira, Moselle, Port, Rhine Wine or Hock, Sauterne, Haut Sauterne, Sherry, Tokay").

22. 26 U.S.C § 5388(c)(3)(B).

23. Lanham Act § 2(a).