

**GEOGRAPHIC INDICATIONS &  
CERTIFICATION MARKS  
IS THERE A  
MEANINGFUL MIDDLE GROUND?  
AND  
CAN IT BE FOUND?**



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# INTRODUCTION

**Geographic Indications, like trademarks and certification marks, create value when consumers are willing to pay a premium price for products associated with a particular place. This presentation begins with a quick review of how Idaho® potatoes as a certification mark became a famous and well known “brand” that has provided demonstrated economic returns to those who grow, ship, process and market potatoes and to the overall economy of the state of Idaho.**



# INTRODUCTION (cont.)

- Next, we will look at how GIs have also created value and have become famous and well known “brands” and have provided demonstrated economic returns. Finally we’ll examine a possible approach on reaching a compromise between the European Union’s approach and the United State’s approach to this issue.



# INTRODUCTION (cont.)

- Globally, GIs are currently protected under trademark/certification mark law, unfair competition law, sui generis registration systems, per se governmental decrees and treaties, food and alcohol labeling law, and deceptive trade practices law.
- The relationship between trademarks and conflicting GIs has emerged as an important issue affecting the rights of trademark owners. Other GI issues include generic term “claw-backs” and TRIPs Article 23 protection to goods other than wines and spirits.
- INTA has long supported the “first in time, first in right” principle for resolving GI/trademark disputes while the E.U. approach favors GIs.



# INTRODUCTION (cont.)

- The WTO Member States have been deadlocked as to the correct implementation approach to WTO TRIPS Agreement Article 23.4, i.e., a multilateral system for the notification and registration of geographical indications for wines and spirits.
- Three main proposals have emerged: The US/Japan/Australia Proposal (national databases for information only), the EU Proposal (a direct-file multilateral WTO register with supranational effect), and the Hong Kong/China Proposal (multilateral WTO register based upon national applications with supranational effect).



# I. VALUE CREATED THROUGH CERTIFICATION MARKS



# IDAHO POTATO COMMISSION

- Brief History: IPC created in 1937
- Tax Structure: Supported by an assessment on potatoes used for consumption of up to .15¢ per hundredweight. Grower pays 60%; remaining 40% paid by shipper or processor.
- IPC's Budget: IPC currently spends approximately \$11 million annually. This will increase to \$13.5 million in 2007-2008.
- Research: IPC spends over \$500 thousand per year for potato related research.
- Regulatory Functions: IPC regulates the way potatoes can be promoted as Idaho® Potatoes.



**Symbols, registered marks and trademarks are only as valuable as the generic advertising, promotional and public affairs dollars put behind them, the willingness to protect them from counterfeiters and the consumers' perception that the product is worthy of purchase at a premium price.**



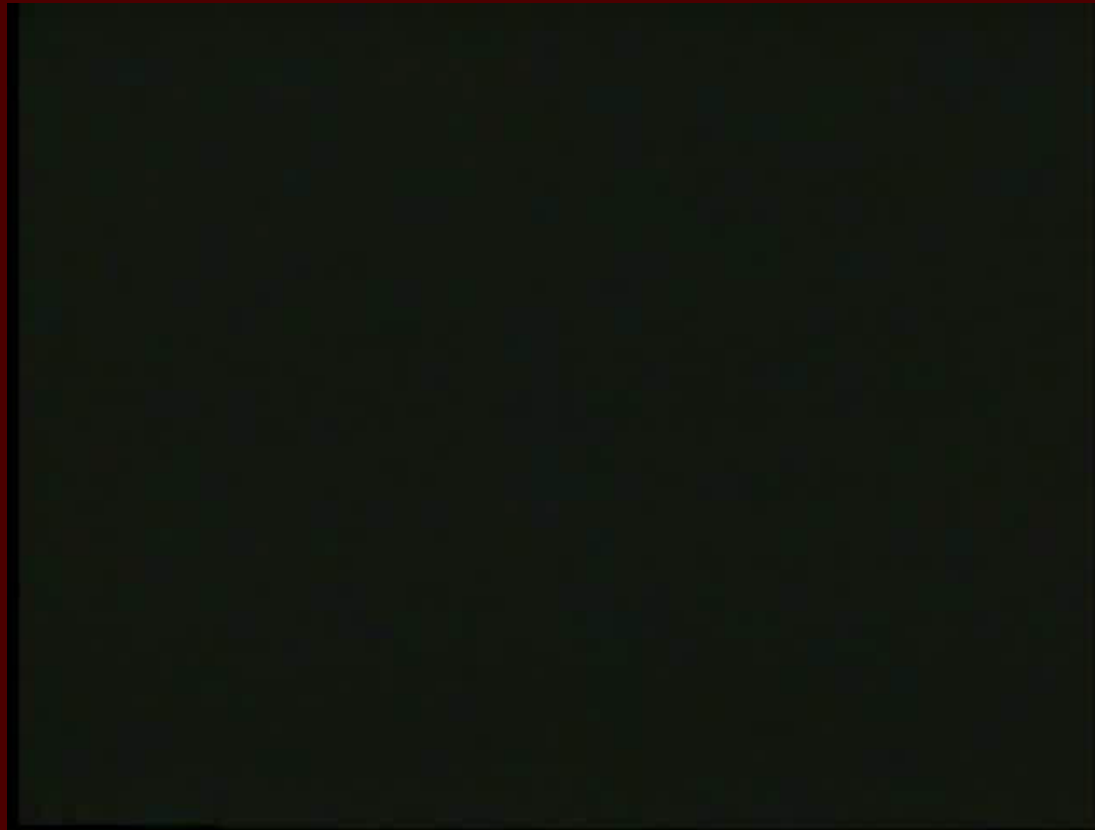


**During the 70 years of the IPC's  
existence, over  
\$150 million has been spent  
promoting the Idaho brand.**



# EARLY EXAMPLES OF GENERIC ADVERTISING

- Eiffel Tower Commercial



# EARLY EXAMPLES OF GENERIC ADVERTISING

- Andrus Commercial



# EXAMPLES OF CELEBRITY TIE-INS



**WE PUT “FAMOUS POTATOES”  
ON EVERY KIND OF PLATE**





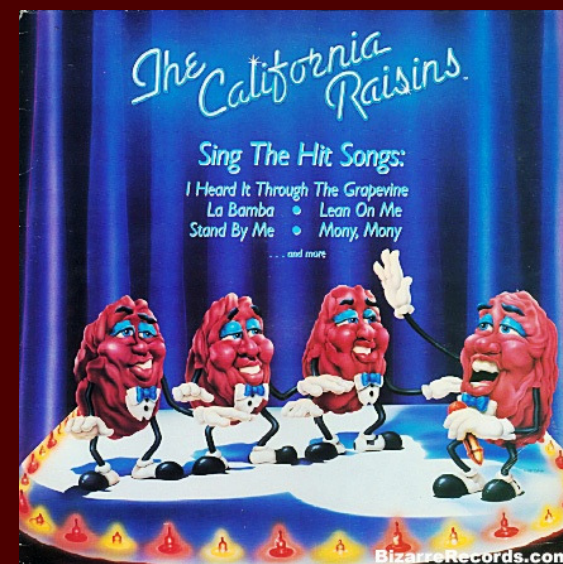
**AND ANY WHERE ELSE  
WE CAN FIND.**



**But there are problems with  
Certification Marks .....**

**They can become generic.**







***Compare In re Cooperative Produttori Latte E Fontina Valle D'Aosta, 230 U.S.P.Q 131 (TTAB 1986) (control not adequate given evidence of use of “fontina” on products from other regions and in a generic manner) with***

***Roquefort v. Faehndrich, 303 F. 2d 494 (2d Cir. 1962) (no evidence that Roquefort was so widely used as to become generic where owner of mark diligently protected its use).***



# ENFORCEMENT PROGRAM REQUIRED

- Some degree of enforcement is necessary in order to fulfill the requirements of the Lanham Act (e.g., control, preventing use of certification mark for purposes other than certification)
- A line of cases gives an idea of the required extent of an enforcement program
  - *Midwest Plastic Fabricators, Inc. v. Underwriters Lab, Inc.*, 906 F 2d 1568 (Fed. Cir. 1990) (“control” means that the mark “owner must take reasonable steps, under all the circumstances of the case to prevent the public from being misled”)



- **Engineered Mechanical Services, Inc. v. Applied Mechanical Technology, Inc.**, 584 F. Supp. 1149 (M.D. La. 1984) (“The owner of a mark is not required to constantly monitor every nook and cranny of the entire nation and to fire both barrels of his shotgun instantly upon spotting a possible infringer...”)
- **Tea Board of India v. Republic of Tea, Inc., Inc.**, Opp. No. 91118587, 2006 WL 2460188 (TTAB Aug. 23, 2006) (“Even if control is not maintained and misuse occurs, it must be shown that the misuse was of such significance to permit an inference that the mark is generic.”).



- **Note: Enforcement is necessary as directly required by the Lanham Act for certification marks, and also for the overriding trademark aim of not abandoning the mark and avoiding genericness.**
- **Note: The enforcement program is a matter of self-help.**



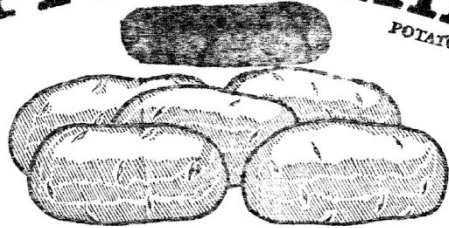
# KEY DISTINCTION OF U.S. PROTECTION

- Basically, in the U.S., the producer is on its own
- The state and federal governments register trademarks, moderate disputes, provide statutory and common law actions which will allow private enforcement of rights.
- But, with the exception of alcoholic beverages and mislabeling rising to criminals levels, government enforcement is unavailable.



# ENFORCEMENT PROCEEDINGS ARE COSTLY

**UPPER-IDAHO**  
POTATO DISTR.

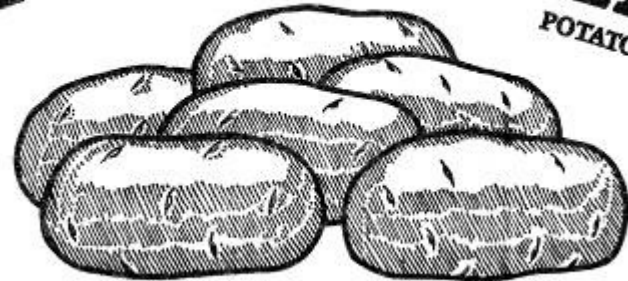


**RUSSET POTATOES**

U.S. NO. 1 PRODUCE OF U.S.A. 50 LBS. NET

PACKED FOR UPPER-IDAHO POTATO DISTR.  
COEUR D'ALENE, IDAHO 83814

**UPPER-IDAHO**  
POTATO DISTR.



**RUSSET POTATOES**



# ENFORCEMENT PROCEEDINGS ARE SUBJECT TO CHALLENGES



# LICENSING ISSUES

- Many, but not all, certification mark programs include a licensing aspect
- May depend on the number and nature of resellers
- May include a royalty
  - Is there any limit?





- **Nature of non-discrimination. Idaho Potato Commission v. G&T Terminal Packaging, Inc. 425 F.3d 708 (9<sup>th</sup> Cir 2005) (no challenge provision in licensing agreement, which precluded licensee from challenging mark's validity, invalid because of public interest in free competition for certified goods); Idaho Potato Commission v. M&M Produce Farm & Sale, 335 F.3d 130 (2d Cir. 2003) (same).**



## II. VALUE CREATED THROUGH GIS

### History of Consorzio del Prosciutto di Parma

1963: 23 producers start

1970: Parma Ham is recognized as a Denominazione di Origine Tutelata product under Italian law

1996: Parma Ham is recognized as a Protected Designation of Origin (P.D.O.) by the European Union



## Producers

1963 → 23

1970 → 89

1975 → 163

1985 → 247

1996 → 201

## Branded Hams Produced

1963 → 53,500

1970 → 379,000

1975 → 1,374,000

1985 → 7,000,000

1996 → 7,800,000



- **175 producers, with 3,000 employees**
- **140 slaughterhouses**
- **5,300 breeding farms**
- **Annual production: about 9 million hams**
- **80% sold on the Italian market**
- **Exported to more than 60 countries**
- **Annual sales: nearly \$2 billion at retail**



## 2009

- 164 producers, with 3,000 employees
- 140 slaughterhouses
- 5,300 breeding farms
- Annual production: about 9.7 million hams
- 79% sold on the Italian market
- Exported to more than 60 countries
- Annual sales: nearly \$2 billion at retail



# PROTECTING GEOGRAPHICAL INDICATIONS

## European Union

- **Recognition of geographical indications under special systems administered by the Directorate General of Agriculture**
- **Example: Regulation on Protections of Geographical Indications for Agricultural Products and Foodstuffs**



# PROTECTING GEOGRAPHICAL INDICATIONS OUTSIDE EU AND US

## Special Systems of GI Protection

- Only type of protection in many countries, e.g., India, Vietnam, Thailand, Brazil
- Other countries register geographical certification marks and also have separate systems of GI protection, e.g., Canada, New Zealand



# PROTECTING GEOGRAPHICAL INDICATIONS

**Some countries do not offer any registration protection (e.g., Japan, Chile)**

**GIs are only protected through false/misleading advertising statutes**





# PROTECTING GEOGRAPHICAL INDICATIONS

## Special Systems of GI Protection

- Even U.S. has special system of protection for recognition of American Viticultural Areas for wine administered by the Alcohol and Tobacco Tax and Trade Bureau



# PROTECTING GEOGRAPHICAL INDICATIONS

## Problem:

**Unlike Paris Convention, Madrid Protocol or Patent Cooperation Treaty, no procedure for extending protection for recognition of geographical indications between countries – biggest hurdle, systems vary greatly from country to country.**



# PROTECTING GEOGRAPHICAL INDICATIONS

## TRIPS Article 23.4

- Requires negotiations for creation of a multilateral register for geographical indications for wines and spirits
- Deadline for completion was 2003. Not yet near complete



### **III. A MIDDLE GROUND APPROACH: INTA**



# WHAT IS INTA - INTERNATIONAL TRADEMARK ASSOCIATION?

- 129-year-old not-for profit global association of trademark owners and professionals.
- Dedicated to promoting trademarks as essential elements of commerce.
- Geographical Indications Committee: Addresses the relationship between GIs and trademarks, especially in conflict resolution.



# THE INTA APPROACH

- INTA takes a middle ground approach most similar to the Hong Kong/China GI proposal, the PCT for patents, and the Madrid Protocol for trademarks.
- Simply, GIs are protected at the national level and extended to other countries by an International Registration at WIPO or WTO.



# THE INTA APPROACH

- The INTA proposes a system based on the following principles: -
  - GI notification/registration through an international body to participating states.
  - Ex officio absolute and relative examination of protectability in the country of requested protection.
  - Ex officio refusal/third party opposition on the basis of prior trademark rights (based on “first in time, first in right”) or generic claim.
  - Ability to challenge the GI registration extension in the national courts.



# HOW MIGHT THE INTA GI SYSTEM WORK?

- An application for multinational protection of a wine or spirit GI will be made to the designated national government authority of the country of origin. This authority can be the IP Office, Agricultural Ministry, or other competent body.
- The application will designate the participating WTO members to which the multinational application will be extended.
- The national authority of the country of origin will determine whether or not the GI constitutes a GI in accordance with TRIPS Article 22. If it does it will certify accordingly and forward the application to WIPO or WTO.





# HOW MIGHT THE INTA GI SYSTEM WORK?

- WIPO or WTO will examine the application as to formalities only. If the application is accepted, it will be registered in an international register and published in an international gazette. WIPO or WTO will notify the designated national authorities of all extension countries of the international registration.
- The national extensions will be examined in the designated national authority under both absolute (GI definition) and relative (prior rights) grounds as currently undertaken by the local trademark system (e.g., France - absolute only; China - absolute and relative grounds).



# HOW MIGHT THE INTA GI SYSTEM WORK?

- A separate GI register will be established in the competent body - in several instances the corresponding national authority may be different, e.g., a GI application filed in country A in the IP Office may be extended to a foreign GI register in the Agricultural Ministry of country B.
- All WTO countries will have 18 months to complete this examination - failing this the GI will be automatically accepted.
- All accepted applications will be subject to opposition and cancellation as prescribed under the national trademark laws.



# HOW MIGHT THE INTA GI SYSTEM WORK?

- Once properly extended, the GI will be given legal presumptions of validity and enforceability in the extension country.
- If the GI is cancelled in the country of origin or otherwise ceases to be entitled to protection within the first 5 years of registration in the multinational register the multinational registration will be cancelled and likewise all resulting national extension registrations.



- **The INTA GI registration system is a practical, middle of the road, system to address various concerns on a very controversial issue.**
- **The INTA proposal balances the interests of trademark and GI owners concerning wines and spirits consistent with long-established INTA policy.**



# PROTECTING GEOGRAPHICAL INDICATIONS

What does the future hold for protection of GIs?

- For now, country by country protection under existing systems
- Until consensus in WTO, multilateral register for wines and spirits unlikely
- Political compromise unlikely without support of industry



## **AMERICAN ORIGIN PRODUCTS:**

**A Special Kind of  
“Local Food”**



# Shifting the American Local Food Paradigm



- Huge consumer demand
- Large retailers involved
- Obama Administration  
changing the landscape
  - organic
  - regional food systems





# American Local Food



**Proximity**

(the “100 mile diet”)



**But it is also...**



**Proximity**



**Origin Products**

**(Idaho® Potato)**



# OVERALL GOALS:

- **Raise GI visibility and support**
- **Improve IP status to better protect producers**
- **Grow markets for US GIs**



# PROXIMITY ADVANTAGE

- **Local Dollars Circulate,  
creating “Local Multiplier Effect”**
- **Benefits Local Economy**



# RURAL ECONOMIES BENEFIT TWO WAYS

- Strengthens local food system
- Creates jobs “exporting”  
product outside of region



# ORIGIN PRODUCTS ADVANTAGES

- **Local Multiplier Effect**

*plus*

- **Beneficial Trade Effects**



# ORIGIN PRODUCTS ALSO...

- **Preserve local culture**
- **Maintain biodiversity**
- **Increase local collaborations**
- **Promote rural tourism**



# AMERICAN ORIGIN PRODUCTS ALREADY EXIST

- Idaho® Potato
- Florida Orange
- Kona Coffee
- Napa Valley Wine





# **BUT...NOT SEEN AS A *CATEGORY* OF PRODUCTS**

- no listing of them for US
- not well mapped
- producers not organized
- no research/government focus



# RECENT INITIATIVES

- **Exploratory Committee for US Producer Association**
  - education
  - outreach
  - give producers a voice
  - network (annual meeting)



# TARGETING INVENTORY PROJECT

- several academic disciplines
- U of Arkansas base:
  - National Ag Law Center
  - Applied Sustainability Center
- website, database, mapping



- **Agile Ag, followed by US GI meeting July 2**
- **USDA meetings - > awareness**
- **Developing grant proposal**

