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# WINE NOT? PUTTING A CORK IN THE SEMI-GENERIC CATEGORY OF WINE

*Toujours le vin sent son terroir.*<sup>1</sup>

## I. INTRODUCTION

Imagining a marketplace in Bordeaux, France, circa 1800, helps paint a picture of what some argue to be the origin of trademark law. The residents of Bordeaux would have almost exclusively consumed Bordeaux wine; not because of preference, but because that was all their region produced. Over time, the globalization of trade would allow vendors to present the Bordeaux market with goods from across the world—the residents would be given an opportunity to experience goods like Riesling wines from Germany or Parmesan Reggiano from Italy. Consumers started to associate the quality of the good with the region from where it came. These associations and reputations began to develop in a manner similar to product branding and trademarks.<sup>2</sup>

Eventually, European countries enacted laws prohibiting manufacturers from using certain titles unless the good was actually produced in its respective region.<sup>3</sup> This legally protected designation of origins became known as a “Geographical Indication.”<sup>4</sup> These laws are intended to protect consumers by guaranteeing that the product they are purchasing has the qualities associated with the geographical indication.<sup>5</sup> They are also intended to protect the manufacturer by ensuring that free-riders do not profit from marketing a product that exploits a certain geographical indication.<sup>6</sup> A geographical indication’s

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1. “Wine always smells of its *terroir*.”

2. Justin Hughes, *Champagne, Feta, and Bourbon: The Spirited Debate About Geographical Indications*, 58 HASTINGS L.J. 299, 300–01 (2006) (noting how some contend that trademarks developed in a similar fashion to geographical indications) (citing CHRISTIAN BOUDAN, *GÉOPOLITIQUE DU GOÛT, LA GUERRE CULINAIRE* 39–42, 46–51 (2004); M.G. Coerper, *The Protection of Geographical Indications in the United States of America*, 29 INDUS. PROP. 232 (1990)).

3. Hughes, *supra* note 2, at 301; *see also* 15 U.S.C. § 1127 (2012) (governing the allowance of geographical designations as collective or certification marks); Agreement on Trade-Related Aspects of Intellectual Property Rights art. 22, Apr. 15, 1994, 1869 U.N.T.S. 299, 33 I.L.M. 1197 [hereinafter TRIPS].

4. Hughes, *supra* note 2, at 301.

5. *Id.*

6. *Id.* at 300.

downfall is known as “genericization,” or the erasure of a term’s significance because of its adoption as common vocabulary.<sup>7</sup>

The idea of intellectual property within the United States, however, developed differently.<sup>8</sup> The American consumer often views the quality of a good to be linked to the product or the “doing,” rather than the “auteur” or its status.<sup>9</sup> Various regional designations are recognized within the United States as a form of intellectual property since the United States has primarily categorized geographical indications as falling within trademark law.<sup>10</sup> Yet this difference in attitude is often a source of contention between European and American agreements concerning intellectual property rights.<sup>11</sup>

As the legal field develops, various commentators have asked whether it is possible to slowly begin bridging this gap.<sup>12</sup> This Comment will explore the disparities between trademark law and the United States’ protection of geographical indications that pertain to wine. Specifically, this Comment will advocate for the removal of the “semi-generic” categorization of wine, contending that the category comports with neither domestic trademark law nor an international treaty governing the use of geographical indications. Part II begins with a discussion of the protection of geographical indications in the European Union, how the United States’ trademark regime functions, and how geographical indications are protected domestically. Part II then discusses the United States’ regulation of wine and regional des-

7. *Id.*; see also *Cnty. of Roquefort v. William Faehndrich, Inc.*, 303 F.2d 494, 497 (2d Cir. 1962) (stating a geographical indication will warrant legal protection only if it continues “to indicate the regional origin, mode of manufacture, etc. of the goods upon which it is used”). But if the term becomes used primarily to describe the identity of the good rather than the nexus tying origin and quality, then the term has become generic and does not warrant protection. *Id.*

8. Eva Gutierrez, *Geographical Indicators: A Unique European Perspective on Intellectual Property*, 29 HASTINGS INT’L & COMP. L. REV. 29, 41 (2005).

9. Hughes, *supra* note 2, at 335 (discussing the concept of continental intellectual property as an entitlement of rights that stem from the auteur—the individual producing or crafting the work—and how most intellectual property rights in the United States are based on merit and act as an incentive to create, rather than as an incentive to preserve tradition, history, and status as used in Europe). Some scholars even note that the European approach is antithetical to “the American capitalist view of society.” See Gutierrez, *supra* note 8, at 41.

10. 15 U.S.C. § 1127 (2012).

11. Margaret Ritzert, *Champagne Is from Champagne: An Economic Justification for Extending Trademark-Level Protection to Wine-Related Geographical Indicators*, 37 AIPLA Q.J. 191, 202–03 (2009).

12. See Hughes, *supra* note 2, at 314–15; 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, 427–30 (2005); Lindsey A. Zahn, *Australia Corked Its Champagne and So Should We: Enforcing Stricter Protection for Semi-Generic Wines in the United States*, 21 TRANSNAT’L L. & CONTEMP. PROBS. 477, 487 (2012); Laura Zanzig, *The Perfect Pairing: Protecting U.S. Geographical Indications with a Sino-American Wine Registry*, 88 WASH. L. REV. 723, 734–35 (2013).

ignations. Part III examines whether the current regulatory scheme governing wine designations comports with either trademark law or the European Union's geographical indication laws. Part III will continue to look at how the amendment of the regulations may bring it closer in line with both fields of law. Finally, Part IV will look at the possible impact of this approach within the United States and its potential to shift our cultural and economic views. Part V concludes.

## II. BACKGROUND

Unbeknownst to many of us, our average trip to the grocery store is heavily impacted by the regulation of these geographical indications (GIs). Not to be confused with geographic *identifiers* (e.g., a "Made in China" tag), geographical *indications* are protected titles placed on products to designate their place of origin and associated qualities.<sup>13</sup> The difference between the two terms, and the crux of GIs, is a nexus between the origin of the good and its associated quality.<sup>14</sup> For example, only sparkling wine made in the Champagne region of France is (generally) called "Champagne," and only whiskeys made in Scotland can be named "Scotch."<sup>15</sup> By contrast, although a geographical identifier may inform the consumer that a table is made in China, it does not indicate that any furniture quality is reputed to Chinese production.<sup>16</sup> The regulation of a GI like "Champagne" exists to denote the reputation of the geographical region's soil and weather conditions, and its relationship to certain flavors and attributes particular to those conditions.<sup>17</sup>

This Section will first introduce how GIs are protected abroad and its implications to the law of the United States. Then, it will discuss how GIs are protected within the United States, starting with an overview of trademark protection, and followed by how GIs are incorporated into trademark law. This Section then discusses how wines are regulated within the United States, before concluding with a discussion about the disparities between wine regulations and trademark law.

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13. Hughes, *supra* note 2, at 305.

14. *Id.* at 304–05. "This is the idea of terroir: that the *particular geography* produces *particular* product characteristics that cannot be imitated by other regions," and that reflected within GI laws is a "known *land/qualities* nexus." *Id.* (emphasis in original).

15. *Id.*; see also 27 C.F.R. § 5.22 (2018) (governing the titles of spirits).

16. Hughes, *supra* note 2, at 305.

17. *Id.* at 307 ("French law defines an AOC as a region or locality name 'that serves to designate a product of that origin whose qualities or characteristics are due to the geographic milieu, which includes natural and human elements.'").

A. *Geographical Indication and the Trade-Related Aspects of Intellectual Property Rights Agreement*

Before diving into the nuance of how GIs are protected in the United States, it is beneficial to first understand how international law has influenced our regimes. First, the United States is a signatory to the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).<sup>18</sup> The TRIPS Agreement regulates the use of, among other things, GIs.<sup>19</sup> Under the TRIPS Agreement, geographical indications are goods that come from a geographical region and are also attributed with producing a specific characteristic in the good itself.<sup>20</sup> This agreement covers both foreign and local designations alike.<sup>21</sup> Some examples include Florida oranges<sup>22</sup> and Champagne.

The TRIPS Agreement stemmed from a series of inconsistent international agreements that the United States sought to make uniform.<sup>23</sup> The main objective of the TRIPS Agreement is to preserve the culture, history, and tradition behind the regional designations by limiting the genericization of geographic indications.<sup>24</sup> Some commentators, however, discuss the view that the European Union saw the agreement as an opportunity to globalize its standards of GI protection.<sup>25</sup>

The TRIPS Agreement protects GIs through three provisions: Articles 22, 23, and 24. Article 22 provides a starting point and base-level protections by requiring member countries to protect marks that fit the definition of a geographical indication.<sup>26</sup> Article 23 requires signatories to provide stronger protections to GIs relating to wines and spirits.<sup>27</sup> Article 24 provides an exception instructing countries to

18. TRIPS, *supra* note 3, at art. 12.

19. *Id.* at arts. 22–24.

20. Hughes, *supra* note 2, at 314. “Geographical indications are, for purposes of this Agreement, indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin.” *Id.* (quoting TRIPS, *supra* note 3, at art. 22 ¶ 1). This provision of the agreement establishes a “floor” for geographical indications. “This definition is not limited to *words*, so images and packaging are potentially included.” *Id.*

21. Peter M. Brody, *Geographical Indications and Dilution: Reinterpreting “Distinctiveness” Under the Lanham Act*, 100 TRADEMARK REP. 905, 906–07 (2010).

22. *Id.* at 907.

23. Hughes, *supra* note 2, at 311–14.

24. Zahn, *supra* note 12, at 487.

25. Sarah A. Hinchliffe, *Trademarks, GIs, and Commercial Aspects of Wine Distribution Agreements*, 10 J. FOOD. L. & POL’Y 107, 116 (2014).

26. TRIPS, *supra* note 3, at art. 22; *see also* Hughes, *supra* note 2, at 314–16.

27. TRIPS, *supra* note 3, at art. 23; *see also* Zanzig, *supra* note 12, at 733–34.

grant GIs in certain situations where they would otherwise be invalid.<sup>28</sup>

Article 22 defines a geographic indication as a mark which “identif[ies] 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.”<sup>29</sup> Although this does not appear to include services,<sup>30</sup> the definition is not limited to words. Accordingly, images and packaging that induce consumers to believe that the product comes from a certain region and bears a certain quality or reputation are implicated.<sup>31</sup> Article 22 requires countries to protect marks that fit this definition by providing legal rights to action for marks that mislead the public by “indicat[ing] or suggest[ing]” that it comes from a geographic region when it in fact does not.<sup>32</sup>

Article 23 grants additional protection to wines and spirits. It directs Members to deny protection and registration to marks embodying an inaccurate geographical indication for wines or spirits.<sup>33</sup> Furthermore, the provision requires member countries to remove the goods from commerce.<sup>34</sup> So long as the good does not come from the region in dispute, the manufacturer cannot use “expressions such as ‘kind,’ ‘type,’ ‘style,’ ‘imitation,’ or the like,” nor can the manufacturer include a disclaimer identifying the true origin to escape liability.<sup>35</sup> This standard eliminates many labeling and advertising possibilities in an attempt to eliminate confusion even though it would increase consumer information.<sup>36</sup>

Article 24 provides limitations and exceptions.<sup>37</sup> Greatly disliked by the European Union, the article contains a claw-back provision and a grandfather provision.<sup>38</sup> The claw-back provision allows countries to reject protection for terms that are generic even though they may ordinarily warrant protection.<sup>39</sup> Boiled down, the grandfather clause

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28. TRIPS, *supra* note 3, at art. 24 (insisting countries be open to being lenient in granting GI protection, particularly where the mark had been in use for 10 years or applied for in good faith); *see also* Zanzig, *supra* note 12, at 735.

29. TRIPS, *supra* note 3, at art. 22(1).

30. Hughes, *supra* note 2, at 314–15.

31. TRIPS, *supra* note 3, at art. 22(1); *see also* Hughes, *supra* note 2, at 314–15.

32. TRIPS, *supra* note 3, at art. 22(2).

33. *Id.* at art. 23(2).

34. *Id.*

35. *Id.* at art. 23 ¶ 1.

36. Hughes, *supra* note 2, at 318.

37. TRIPS, *supra* note 3, at art. 24.

38. *Id.*

39. *Id.*

removes the requirement for member countries to invalidate marks if the right to the mark in question developed before that country joined the TRIPS Agreement or before the GI received protection in its country of origin.<sup>40</sup> Finally, generic terms are not protected by the other obligations found within the TRIPS Agreement.<sup>41</sup>

## B. *Protection of Trademarks in the United States*

In the United States, trademark law protects any word, name, symbol, or device that identifies and distinguishes a good or service in commerce.<sup>42</sup> Additionally, GIs fall within the domain of trademark law in the United States.<sup>43</sup> This subsection will first look at distinctiveness—the baseline requirement that must be established before a mark can be protected under trademark law. Then, it will consider the reasons for the distinctiveness requirement before moving on to how GIs are protected in the United States.

### 1. *Distinctiveness*

Under the Lanham Act, courts require a mark to be distinctive before it can be protected by trademark law.<sup>44</sup> In *Abercrombie & Fitch Co. v. Hunting World, Inc.*, the Second Circuit created a framework known as the *Abercrombie* spectrum, and it is widely used today to analyze distinctiveness.<sup>45</sup> The framework proposes that the distinctiveness of a mark can be divided into five categories: fanciful, arbitrary, suggestive, descriptive, and generic marks.<sup>46</sup> The word “fanciful” describes marks that were never words until they came to be used to identify a good or service.<sup>47</sup> Arbitrary marks are common words that have meaning but are used in an arbitrary manner when

40. *Id.* at art. 24 ¶¶ 5(a)–(b); Hughes, *supra* note 2, at 319.

41. TRIPS, *supra* note 3, at art. 24(6) (“Nothing in this Section shall require a Member to apply its provisions in respect of a geographical indication of any other Member with respect to goods or services for which 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.”).

42. 15 U.S.C. § 1127 (2012).

43. See discussion *infra* Part II.C (reviewing the treatment of GIs in the United States).

44. *Zatarains, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786 (5th Cir. 1983), *abrogated by* *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111 (2004).

45. *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9–11 (2d. Cir. 1976); see also Joseph Scott Miller, *Abercrombie 2.0—Can We Get There from Here? Thoughts on “Suggestive Fair Use”*, 77 OHIO ST. L.J. FURTHERMORE 1, 2 (2016) (discussing how the case, as of 2016, had been cited by over 850 cases and over 580 law review articles).

46. *Zatarains*, 698 F.2d at 790. It should be noted that this court grouped fanciful and arbitrary together as one category.

47. *Id.* at 791 (noting that KODAK is a fanciful mark).

used to identify a good.<sup>48</sup> Suggestive marks are words that suggest or imply a characteristic of the good or service, but require some leap of the imagination for the consumer to understand the relation between the mark and the good.<sup>49</sup> Descriptive marks consist of terms that identify a good's characteristic and call for no imagination to understand the relation between the mark and the good.<sup>50</sup> Finally, generic marks identify a product's genus or class.<sup>51</sup>

In addition to the *Abercrombie* spectrum, courts differentiate between marks that are “inherently distinctive” and marks that are inherently weak and demand “acquired distinctiveness.”<sup>52</sup> Marks that are inherently weak consequently require a showing that the market has come to perceive the mark as identifying “not the product but the producer.”<sup>53</sup> This required showing is also known as “[p]roof of secondary meaning.”<sup>54</sup> Thus, marks that are inherently distinctive are protectable on their own, and marks that are inherently weak require a showing of acquired distinctiveness or secondary meaning. Within the *Abercrombie* spectrum, fanciful, arbitrary, and suggestive marks do not require a showing of secondary meaning while distinctive marks do.<sup>55</sup> And as for generic marks, they may never be protected under trademark law.<sup>56</sup>

## 2. *The Purpose of the Distinctiveness Requirement*

The requirement that a mark be distinctive before it can be protected draws from trademark law's aversion to allowing people to monopolize general terms, which creates high barriers to enter the market.<sup>57</sup> This concern is most salient when looking at how the placement of a mark on the *Abercrombie* spectrum also corresponds to a mark's inherent distinctiveness. For example, generic marks are inher-

48. *Id.* (providing the example of IVORY as arbitrary when used to identify soap). But because IVORY contains a slight relation to the usual color of soap, a better example may be APPLE computers.

49. *Id.* (noting how COPPERTONE was deemed to be a suggestive mark when identifying tanning products).

50. *Id.* at 790 (stating that VISION CENTER is a descriptive mark when it identifies a business that provides optical goods or services).

51. *Id.* (“Such terms as . . . cellophane have been held generic.”).

52. *Zatarains*, 698 F.2d at 791; *see also* 2 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND COMPETITION § 14:5 (5th ed. 2019).

53. *Kellogg Co. v. Nat'l Biscuit Co.*, 305 U.S. 111, 118 (1938).

54. *Zatarains*, 698 F.2d at 791. “[S]econdary meaning recognizes that words with an ordinary and primary meaning of their own ‘may by long use with a particular product, come to be known by the public as specifically designating that product.’” *Id.*

55. *Id.*

56. *Id.* at 790.

57. 2 MCCARTHY, *supra* note 52, § 12:2.



ently weak and can never be protected because trademark law seeks to promote competition in the market.<sup>58</sup> Allowing the producer of a good or service to have a protected interest in using a generic term would create a great barrier to entry because trademark law would prevent competitors from using generic terms when describing their own product.<sup>59</sup> For example, if a producer of apples receives a protectable interest in the word “Apple,” then trademark law would serve as a barrier to entry because it would allow the producer to restrict other apple producers from using the term to describe their goods.<sup>60</sup>

Courts follow the same line of thinking when addressing descriptive marks. In *Security Center, Ltd. v. First National Security Centers*, the Fifth Circuit held that when “security center” was used to describe a business that provided vault and security-storage services, the mark was descriptive.<sup>61</sup> In doing so, the court considered competitors’ need for the words “security” and “center” to describe their own business.<sup>62</sup> Moreover, the court did not analyze the mark in a vacuum because courts decide whether a mark is descriptive by considering the mark in the context of how the goods and services are provided.<sup>63</sup> Courts make these considerations when deciding whether a mark is descriptive in order to assure that a grant of protection does not create an unreasonable barrier to entry.<sup>64</sup> If the court had decided that the mark was more distinctive than a descriptive mark, the decision would have impacted the market by prohibiting others from using “security center” in describing services related to security storage. The court

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58. *Id.* (citing *CES Pub. Corp. v. St. Regis Publ’ns, Inc.*, 531 F.2d 11, 13 (2d Cir. 1975)) (discussing Judge Friendly’s comment that granting protection to a generic term would prevent competitors from describing their goods, and consequently be equivalent to allowing the mark holder to monopolize a portion of the market).

59. *Id.* In *Blau Plumbing, Inc. v. S.O.S. Fix-It, Inc.*, Judge Posner asked the reader to “[i]magine being forbidden to describe a Chevrolet as a ‘car’ or an ‘automobile’ because Ford or Chrysler or Volvo had trademarked these generic words.” 781 F.2d 604, 609 (7th Cir. 1986).

60. *See* 2 MCCARTHY, *supra* note 52, § 12:1. By contrast, using the word “Apple” to describe computers is less concerning because the arbitrary connection between the word and the good means that competitors have less need for the word “apple” to describe their good.

61. 750 F.2d 1295, 1299–1300 (5th Cir. 1985).

62. *Id.* at 1300 (“We look into [competitors’] actual and likely use of a mark in order to determine whether its protection, i.e., its exclusion from the language freely available for commercial use, interferes with competition among providers of the same product or service.”).

63. *Id.* at 1299 (“A plausible interpretation of the phrase—not *in vacuo*, but in its natural setting—would be ‘a center where security is afforded one’s property.’ To arrive at this definition, one must jettison all patently extraneous definitions of either ‘security’ or ‘center.’”).

64. *Id.* at 1300 (“The more users there are of a term, the more its protection in a given case would be commercially disruptive and unfair to competitors.”).

opined on how this alternative outcome would conflict with general policies that promote free markets and competitor entry.<sup>65</sup>

By contrast, inherently distinctive marks pose less concern about market entry.<sup>66</sup> This is especially clear when considering marks that constitute fanciful marks on the *Abercrombie* spectrum. There are fewer barriers to entry when the law grants protection to a fanciful mark.<sup>67</sup> This is because the word never contained any lexical significance prior to its creation and consequently does not limit the number of ways that a competitor can describe his or her goods.<sup>68</sup> And the number of ways to create a fanciful mark are limitless, thus giving competitors an endless number of alternatives that they could use to identify their goods.<sup>69</sup>

### C. *Geographic Indications in the United States*

But there stand three bars to registration relevant to GIs. These are the bars against primarily geographically descriptive marks, geographically deceptive marks, and geographically deceptively misdescriptive marks.<sup>70</sup> Mostly, the only class registerable under the Lanham Act are marks that are primarily geographically descriptive.<sup>71</sup> And a mark that is primarily geographically descriptive may only be registered if it has acquired secondary meaning,<sup>72</sup> if it does not draw in the mind of consumers a connection to the claimed location of origin,<sup>73</sup> or to the extent it constitutes a GI that satisfies the conditions for collective or certification marks.<sup>74</sup> Perhaps most interestingly, a geographic mark that is registered as a collective or certification mark need not prove

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65. *Id.* (“[I]t would disserve the public to sanction use of the term [security center] by only one business in a given region, when other words can readily be affixed to the term for purposes of differentiation and clarity as to source.”).

66. William M. Landes & Richard A. Posner, *The Economics of Trademark Law*, 78 TRADE-MARK REP. 267, 275–76 (1988).

67. *Id.* at 288. (“The so-called fanciful mark—the made-up name that resembles no other word, such as EXXON or KODAK—is the economically (and legally) least problematic.”).

68. *Id.* (“These costs are modest, at least in the simple case of the ‘fanciful’ mark, such as EXXON and KODAK, which has no information content except to denote a specific producer or brand.”).

69. *Id.* (“The distinctive yet pronounceable combinations of letters to form words that will serve as [fanciful marks] are as a practical matter infinite, implying a high degree of substitutability and hence a slight value in exchange.”).

70. 2 McCARTHY, *supra* note 52, § 14:26.

71. 15 U.S.C. § 1052(e) (2012).

72. *Id.* (citing *Del. & Hudson Canal Co. v. Clark*, 80 U.S. 311, 317 (1871)).

73. *Id.* (citing *In re The Newbridge Cutlery Co.*, 776 F.3d 854 (2015)).

74. 15 U.S.C. § 1052 establishes that a mark may be refused registration if it “[c]onsists of a mark which . . . when used on or in connection with the goods of the applicant is primarily geographically descriptive of them, except as indications of regional origin may be registrable under section 1054 of this title.”

that it has acquired distinctiveness or provide proof of secondary meaning.<sup>75</sup>

In the United States, geographical indications are generally registered as a collective or certification mark, and are maintained by a single, quasi-governmental agency.<sup>76</sup> The Lanham Act defines collective marks as marks that are used by members of a group to indicate that a service or good is provided by a member of the group.<sup>77</sup> Collective marks essentially function as affirmations that the provider of the good is a member of the group or union, but the organization itself may not use the mark on its own goods.<sup>78</sup> Similarly, a certification mark is owned by a single entity, but the entity does not itself use the mark.<sup>79</sup> Instead, the owning entity grants other producers the right to use the mark, and the mark certifies that the good or service met the approval standards of quality or origin of the owning entity.<sup>80</sup> Certification marks essentially function as one entity's stamp of approval, while collective marks function to show that the user of the mark is a member of an organization.

A geographic mark that is registered as a certification mark need not prove secondary meaning.<sup>81</sup> Prior to the United States becoming a TRIPS signatory, the Second Circuit in *Community of Roquefort v. William Faehndrich, Inc.* recognized that a geographical mark need not have secondary meaning in order to be registered as a valid certification mark.<sup>82</sup> This rule continued after the United States joined TRIPS as a signatory.<sup>83</sup> The Trademark Trial and Appeal Board (TTAB), in *Tea Board of India v. The Republic of Tea, Inc.*, noted that although geographically descriptive marks are only entitled to weak protection, "the presumption that a geographic term is inher-

75. *Cnty. of Roquefort v. William Faehndrich, Inc.*, 303 F.2d 494, 497 (2d Cir. 1962).

76. Emily Nation, *Geographical Indications: The International Debate over Intellectual Property Rights for Local Producers*, 82 U. CO. L. REV 959, 975–78 (2011).

77. 15 U.S.C. § 1127 (2012).

78. *Nat'l Trailways Bus Sys. v. Trailway Van Lines, Inc.*, 269 F. Supp. 352, 356 (1965) ("A collective mark indicates membership in a group. If the association which owns the mark produces goods, it may not be affixed to the goods.").

79. 15 U.S.C. § 1127.

80. *Id.*

81. *Cnty. of Roquefort v. William Faehndrich, Inc.*, 303 F.2d 494, 497 (2d Cir. 1962).

82. *Id.* "But section 1052[(e)], which prohibits registration of names primarily geographically descriptive, specifically excepts 'indications of regional origin' registrable under section 1054. Therefore, a geographical name may be registered as a certification mark even though it is primarily geographically descriptive." *Id.*

83. . See Brody, *supra* note 21, at 906 (discussing the enactment of TRIPS and the United States's involvement as a signatory); see also *Tea Bd. of India v. Republic of Tea, Inc.*, 80 U.S.P.Q.2d 1881 (T.T.A.B. 2006) (recognizing that certain GIs need not have secondary meaning years after the enactment of TRIPS).

ently weak does not attach to geographic terms that are used to certify regional origin.”<sup>84</sup> The TTAB concluded that a DARJEELING certification mark was inherently distinctive, and was consequently protectable without having to establish acquired distinctiveness.<sup>85</sup> As such, geographic marks can be registered as certification marks without having to show acquired distinctiveness or secondary meaning.

Regional designations will not be protected, however, if the term has become “generic.”<sup>86</sup> Equally as prevalent as ROQUEFORT cheese is parmesan cheese, but parmesan cheese need not come from the Parma region of Italy though Roquefort cheese may only come from Roquefort, France.<sup>87</sup> This is a result of what is known as “genericization;” situations where the third-party use of the geographical term to describe the product became so extensive that it eliminated the meaning of the word.<sup>88</sup> Once an indication or mark becomes “generic,” it has no potential for protection.<sup>89</sup> This is because regional designations can only constitute a certification or collective mark if they “continue to indicate the regional origin, mode of manufacture, etc. of the goods” using the mark, rather than the good’s genus or class.<sup>90</sup>

#### D. Protection of Wines

Geographical indications relating to wine and spirits may also be protected under the field of trademark law.<sup>91</sup> The TTAB presided over a challenge to the use of CANADIAN MIST AND COGNAC to identify a drink of Canadian whiskey mixed with cognac.<sup>92</sup> Relevant

84. Brody, *supra* note 21, at 920–21 (quoting *Tea Bd.*, 80 U.S.P.Q.2d 1881).

85. *Tea Bd.*, 80 U.S.P.Q.2d at 1901 (“Geographically descriptive terms are generally regarded as inherently weak and entitled to less protection than arbitrary or suggestive marks . . . [W]e consider DARJEELING inherently distinctive as a certification mark indicating geographic origin as it inherently identifies the geographic source of the tea.”).

86. Hughes, *supra* note 2, at 303–04; *see also* *Cmty. of Roquefort v. William Faehndrich, Inc.*, 303 F.2d 494, 497 (2d Cir. 1962) (stating geographical indications will warrant legal protection only if it continues “to indicate the regional origin, mode of manufacture, etc. of the goods upon which it is used,” and if the term becomes used primarily to describe the identity of the good rather than the origin/quality nexus, then the term has become generic and does not warrant protection).

87. *Compare Cmty. of Roquefort*, 303 F.2d at 497–98, with Hughes, *supra* note 2, at 329. Interestingly enough, PARMIGGIANO REGGIANO is protectable in the United States as a certification mark, but “parmesan” is not protectable even though it is a mere translation. *See* Hughes, *supra* note 2, at 329; Nation, *supra* note 76, at 963–64.

88. Hughes, *supra* note 2, at 300.

89. *Roquefort*, 303 F.2d at 497.

90. *Id.*

91. *Institut National des Appellations d’Origine v. Brown-Forman Corp.*, 47 U.S.P.Q.2d 1875 (T.T.A.B. 1998).

92. *Id.* at 1875.

here is how the TTAB, in reconciling the use of COGNAC with the language of the Lanham Act, held that the mark received protection as a valid *common law* regional certification mark.<sup>93</sup> In addition to this case of cognac, a cursory search of *registered* certification marks yields thousands of results for marks that would be protected under the Lanham Act, and a large number of these marks identify an alcoholic good's regional origin.<sup>94</sup>

Aside from trademark law, the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) created a separate regime regulating designations for geographical indications relating to domestic wine.<sup>95</sup> These are called American Viticultural Areas (AVAs).<sup>96</sup> Use of geographical indications of wines and spirits are regulated by the Code of Federal Regulations (C.F.R.).<sup>97</sup> Now, the Alcohol and Tobacco Tax and Trade Bureau (TTB) regulates the provisions governing geographical indications of wines and spirits.<sup>98</sup> Under the C.F.R., wines are divided into three classes: those that are generic,<sup>99</sup> those that are semi-generic,<sup>100</sup> and those that are non-generic.<sup>101</sup> Spirits have specific classifications depending on the designation and are defined individually.<sup>102</sup>

Wines that are "generic" are those that have been designated by the Administrator to no longer designate a singular wine distinct from

93. *Id.* at 1885.

94. M. Coerper, *Certification Marks as a Means of Protecting Wine Appellations in the United States*, 16 ABA IPL NEWSL. 24, 24 (1998).

95. Michael Maher, *On Vino Veritas? Clarifying the Use of Geographic References on American Wine Labels*, 89 CAL. L. REV. 1881, 1892 (2001).

96. 27 C.F.R. § 9.1 (2018).

97. *Id.* §§ 4.20, 5.22.

98. D. Peter Harvey, *Geographical Indications: The United States' Perspective*, 107 TRADE-MARK REP. 960, 962 (2017). It is important to note that the C.F.R. regulations are rights distinct from trademark law. *See generally infra* Part II.E.

99. "A name of geographic significance which is also the designation of a class or type of wine, shall be deemed to have become generic only if so found by the Administrator." 27 C.F.R. § 4.24(a)(1) (2018). Some examples include Vermouth and Sake. *Id.* § 4.24(a)(2).

100. Like generic indications, the Administrator decides which terms are semi-generic. *Id.* § 4.24(b)(1). Standards of protecting these designations are stricter than generic wines. If the wine does not come from the indicated region, the designation may still be used if in conjunction with a disclosure of the true place of origin. *Id.* Examples include Burgundy, Champagne, and Sherry. *Id.* § 4.24(b)(2).

101. If a wine has not been found by the Administrator to be either generic or semi-generic, then the wine is non-generic. *Id.* § 4.24(c)(1). The Administrator must take into account whether it is known to consumers that the designation is of a specific wine originating from a specific region, and that it is distinguishable from all other wines. *Id.* § 4.24(b)(1). This class receives the strongest protection; they may only be used for wines originating from the region indicated by the designation. *Id.*

102. *Id.* § 5.22(k)(1).

others of its variety.<sup>103</sup> The C.F.R. lists two examples: Vermouth and Sake.<sup>104</sup> Due to the vast extent of the third-party use of generic terms, wines like Vermouth and Sake now represent a type of wine, rather than geographic regions and their associated qualities in producing wine.<sup>105</sup> Commensurate to its lack of distinctiveness, manufacturers of wines are allowed to use generic designations like “Vermouth” and “Sake” despite the wine’s origin or composition.<sup>106</sup>

The Administrator may also coin wine types as “semi-generic” if the wines have a third-party connotation that weakens the nexus between the designation and its respective region.<sup>107</sup> These are granted stronger protection than generic wines. If a wine uses a semi-generic designation though it does not originate from the indicated region, then it may only be used with the product if it (1) contains a disclaimer stating its true origin and (2) still conforms to the identity of the referenced wine.<sup>108</sup> Some examples include Burgundy, Champagne, and Sherry.<sup>109</sup>

Finally, wines that are neither generic nor semi-generic may qualify to be non-generic. These are designations that the Administrator has found to be known by consumers as indicative of wines originating from a particular region, and distinguishable from all other wines.<sup>110</sup> This class is further subdivided into designations that are not distinctive of specific grape wines,<sup>111</sup> and designations that are distinctive of specific grape wines.<sup>112</sup> These designations are prohibited from use unless they meet the grape composition requirements listed in the statute.<sup>113</sup>

### E. A Clash of Federal Laws

It is necessary to note that trademark laws governing a regional certification mark under the Lanham Act entail different rights from

103. *Id.* § 4.24(a)(1).

104. *Id.* § 4.24(a)(2).

105. 27 C.F.R. § 4.24(a)(2).

106. *See id.* (omitting any regulation governing the use of generic wines, while the provisions governing semi-generic and non-generic wines contain restrictions on their use).

107. *Id.* § 4.24(b)(1).

108. *Id.*

109. *Id.* § 4.24(b)(2).

110. *Id.* § 4.24(c)(1).

111. For example, “American” and “French” wine are not distinctive of specific grape wines. 27 C.F.R. § 4.24(c)(2).

112. For example, “Bordeaux Rouge” and “Medoc” are distinctive of specific grape wines. *Id.* § 4.24(c)(3).

113. *Id.* § 4.24(c).

those governed by the wine-related regulations under the C.F.R.<sup>114</sup> Little caselaw exists to clarify the relationship between the two, and what courts have said is that viticultural regulations and trademark laws are simultaneously discrete and interrelated.<sup>115</sup>

First, in *Sociedad Anonima Viña Santa Rita v. U.S. Department of Treasury*, a district court held that the owner of a registered mark for SANTA RITA, in identifying a class of wine from Chile, could not enjoin the Treasury from creating a viticultural designation for Californian wines coming from “Santa Rita Hills.”<sup>116</sup> The court ultimately decided that the creation of the viticultural designation did not overstep plaintiff’s trademark rights and that plaintiff would be able to bring trademark infringement claims against individual wineries that violated plaintiff’s trademark rights.<sup>117</sup>

Yet in *Leelanau Wine Cellars, Ltd. v. Black & Red, Inc.*, the Sixth Circuit addressed the relationship between enforcing trademark infringement and the designation of a region as a protected AVA.<sup>118</sup> In *Leelanau*, a plaintiff began using the LEELANAU CELLARS mark prior to its designation as an AVA.<sup>119</sup> After the Treasury declared the peninsula to be an AVA, defendant began using the mark CHATEAU DE LEELANAU to identify its wine that came from Leelanau.<sup>120</sup> After attempting to bring a trademark infringement claim, the court noted that the Leelanau designation as an AVA was the kind of public information that would decrease a consumer’s likelihood of confusing the two marks.<sup>121</sup>

### III. ANALYSIS

The United States can change its regulations governing wine in a manner that would serve the interests of the European Union while still promoting the economic interests of the domestic economy. The most impactful step it can take to bridge the gap would be to abolish

114. 2 McCARTHY, *supra* note 52, § 14:19.50.

115. D. Peter Harvey, *Geographical Indications: The United States’ Perspective*, 107 TRADE-MARK REP. 960, 976 (2017).

116. *Sociedad Anonima Viña Santa Rita v. U.S. Dep’t of Treasury*, 193 F. Supp. 2d 6 (D.D.C. 2001); *see also* 2 McCARTHY, *supra* note 52, § 14:19.50; Harvey, *supra* note 115, at 976.

117. *Santa Rita*, 193 F. Supp. 2d at 20.

118. 502 F.3d 504, 510 (6th Cir. 2007); *see* Harvey, *supra* note 115, at 975; 2 McCARTHY, *supra* note 52, § 14:19.50.

119. *Leelanau*, 502 F.3d at 510–11.

120. *Id.*

121. *Id.* at 516. Important to this case was a determination about whether the mark had acquired secondary meaning. *Id.* Ultimately, the court noted that “that the federal designation of the Leelanau Peninsula as an AVA substantially decreased the possibility that a potential consumer would, upon seeing the mark, necessarily think of LWC’s product.” *Id.*

the semi-generic classification and to reclassify the various wines listed therein as either generic or non-generic.<sup>122</sup> Doing so would help align the differences between trademark law and the Treasury's wine regulations. Additionally, the removal of the semi-generic category would change the regulations to be more in line with the provisions of the TRIPS agreement.

### A. Under Trademark Law

Removal of the semi-generic category is better in line with trademark law because courts hold that a primarily geographically descriptive mark, when used as a collective mark, is not inherently weak.<sup>123</sup> The Treasury's designation of wines and their origins can arguably be seen as the Treasury owning certification marks in certain wine labels and granting constructive licenses to those who meet the Treasury's standards.<sup>124</sup> It functions in a manner similar to the umbrella organizations that generally own collective marks for GIs.<sup>125</sup> Before the name of a geographic region can be used as an "identifier" or "mark" for the manufacturer's wine, this regulation creates a standard requirement that must first be met.<sup>126</sup> It makes the "mark" available to those who meet the standard and it controls the use of the "mark."<sup>127</sup> The regulations on wine should be changed to reflect the strength of these de facto collective marks by eliminating the semi-generic category and creating a dichotomy between generic marks and non-generic marks. This is not to say that the generic category should be removed—the regulations should still withhold protection from wines that denote a class of good rather than a geographic origin so as not to hinder competition.<sup>128</sup> But if a wine does not fully constitute a generic mark, it should be granted protections under the non-generic category because of their strength as a de facto collective mark indicating regional origin. Currently, because the regulations treat the wines in part as inherently weak in that the regulations consider them generic to some extent, the regulations are not in line with the established

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122. The next step would be to classify the wines in the semi-generic category as either generic or non-generic. This Comment does not attempt to decide which wines should fall into either of the two categories.

123. 2 McCARTHY, *supra* note 52, § 14:26 (citing *Tea Bd.*, 80 U.S.P.Q.2d 1881; *Roquefort*, 303 F.2d 494) ("A geographical name can be registered as a certification mark without the necessity of proof of secondary meaning.").

124. *See supra* notes 76–80 and accompanying text.

125. *See* Nation, *supra* 76, at 972–73.

126. *See supra* notes 99–113 and accompanying text.

127. *See supra* notes 99–113 and accompanying text.

128. *See supra* notes 58–59 and accompanying text.



inherent strength of collective marks designating geographic origin. The implication that these geographic designations are partially generic seems incongruous to the cases treating those marks as not inherently weak,<sup>129</sup> since generic marks have no inherent strength and can never be protected.<sup>130</sup> Changing the regulations so that the wines are either generic or non-generic may better reflect trademark law's recognition of greater protection to those marks.

Moreover, distinctions between descriptive and suggestive (the next two classifications on the spectrum of distinctiveness) are often argued as being blurred.<sup>131</sup> The argued false dichotomy is palpable when looking at cases like *Equine Technologies, Inc. v. Equitechnology, Inc.*, where the court had to determine the distinctiveness of the mark EQUINE TECHNOLOGIES when used to describe horse hoof care products.<sup>132</sup> One could view it as descriptive because it explains the product: horse hoof care products use technology developed for equine.<sup>133</sup> Yet the First Circuit decided that a consumer needed to exercise some imagination to make the connection between hoof products and the words "Equine Technologies," affirming the lower court's rationale that the term was suggestive because it gave no specific indication that the equine technology at hand pertained to hooves and hoof care.<sup>134</sup> Again, courts require secondary meaning before granting protection to descriptive marks, while suggestive marks are protectable on their own.<sup>135</sup> In light of the decisions that a primarily geographically descriptive collective mark is descriptive but not inherently weak, they seem to fall within the more distinctive side of the descriptive-suggestive zone.<sup>136</sup> The existence of the semi-generic category, however, arguably aggravates the confusion between descriptive and suggestive by pulling the semi-generic designations into a category that is lower on the distinctiveness spectrum than what courts have previously ruled. Abolishing the semi-generic category,

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129. See *supra* notes 82–85 and accompanying text.

130. *Zatarains, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786, 791 (5th Cir. 1983).

131. See generally Jake Linford, *The False Dichotomy Between Suggestive and Descriptive Trademarks*, 76 OHIO ST. L.J. 1367 (2015) (arguing that the use of the spectrum to analyze strength and distinctiveness should be redrawn such that suggestive marks may only be granted protection upon a showing of secondary meaning).

132. 68 F.3d 542, 543–44 (1st Cir. 1995).

133. *Id.* at 545 ("Defendant's argument boils down to its contention that '[a] consumer (i.e., farrier or equine veterinarian) would naturally expect a company called EQUINE TECHNOLOGIES to make high-tech hoof pads for horses.'").

134. *Id.*

135. *Id.* at 544 n.2 (discussing the spectrum of distinctiveness and when secondary meaning is required).

136. See *supra* notes 82–85 and accompanying text.

and reclassifying those wines as either generic or non-generic, would be more reflective of the courts' decisions that such geographic indications are not inherently weak.

### B. Under TRIPS

Removal of semi-generic wine would also be greater in line with TRIPS. TRIPS requires that wines and spirits are afforded greater protection, prohibiting the use of "like" or "in the manner of" as justifications for using a regional designation to describe a wine that did not actually come from that area.<sup>137</sup> Yet the semi-generic category allows for precisely that.<sup>138</sup> Wine producers may make such disclosures to justify the use of regional designation for wines that do not come from that region.<sup>139</sup> At first glance, this may seem to run afoul of Article 23 in TRIPS. Commentators, however, have noted that the regulations may be in compliance with TRIPS because of Article 24's claw-back provision.<sup>140</sup> Article 24 provides that protection need not be granted to those geographic indications that have become generic in the member country, even if protection would otherwise be required under TRIPS.<sup>141</sup> So by calling certain wines semi-generic, the United States appears to be using Article 24 to circumvent the stringency of Article 23.<sup>142</sup>

The semi-generic category created a space that has allowed the United States to have its wine and drink it too. It did not fully embrace Article 24 because it created the notion of "semi-generic," rather than rescinding GIs that died from genericide.<sup>143</sup> Moreover, it goes directly against Article 23 by allowing a disclaimer to justify the designation of an origin from which the wine does not come. Naturally, every story has two sides. On one hand, the United States could be seen as exploiting a loophole within the system. On the other hand, it could be argued that the United States is attempting to keep certain denominations away from the fully generic category. But because TRIPS says nothing on the existence of semi-generic GIs, it may be

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137. See *supra* notes 33–35 and accompanying text.

138. See *supra* notes 107–109 and accompanying text.

139. See *supra* notes 107–109 and accompanying text.

140. See Ritzert, *supra* note 11, at 224; see also Leigh Ann Lindquist, *champagne or Champagne? An Examination of U.S. Failure to Comply with the Geographical Provisions of the TRIPS Agreement*, 27 GA. J. INT'L & COMP. L. 309, 330–32 (1999).

141. See discussion *supra* notes 37–41.

142. See Ritzert, *supra* note 11, at 224; see also Lindquist, *supra* note 140, at 330–32.

143. See the definition of "genericization" in the text accompanying *supra* note 88.

better in line with the language of TRIPS to remove the category and decide on a stance when dealing with these GIs.<sup>144</sup>

By addressing the disparity in law between wine regulations and the Lanham Act, the United States can kill two birds with one stone. In removing the semi-generic category, each wine listed therein would have to be categorized as either generic or non-generic. It would encourage alignment of trademark law with the wine regulations by acknowledging the inherent strength of collective marks designating geographic origin. Additionally, it would help bring our treatment of wine-related marks into closer compliance with the language of TRIPS.<sup>145</sup>

#### IV. IMPACT

The removal of the semi-generic category raises a series of impact issues. First, any reclassification of wines from semi-generic to non-generic goes to the heart of the United States' concern about the appropriation of the language. But past situations illustrating the successful reclamation of *generic* terms should appease concerns about granting protection to *semi-generic* terms. Second, abandoning the semi-generic category will, no doubt, be costly. Acting sooner rather than later to align wine regulations with both the Lanham Act and TRIPS will, however, be worthwhile. Taking action now will also help avoid costly litigation, lower our negotiation costs, and improve tensions within international trade. Finally, other practical effects will include relieving certain wines of dilutive harms.

##### A. *Linguistic Concerns, Historic Justifications*

The United States has notoriously been resistant to strong GI protection, often citing two concerns. The first is the need to address a disparity between the English language's casual use of GIs and its newly granted protection; the second is the cost of remarketing products to avoid using newly protected terms. Admittedly, it is an uphill battle to argue that social and economic benefits outweigh the costs of making semi-generic terms become non-generic. However, there are reasons to appease those concerns and feel confident that wines moving from semi-generic to non-generic will not be as troublesome as anticipated.

First, though rare, trademark law is not a stranger to companies reclaiming their marks from the generic domain. "Singer" was once

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144. See Ritzert, *supra* note 11, at 224.

145. See generally TRIPS, *supra* note 3.

ruled a generic term for a sewing machine.<sup>146</sup> “Goodyear” was deemed a generic term for its rubber.<sup>147</sup> After exhaustive advertising, however, the two companies were able to recapture their marks from the public domain.<sup>148</sup> The court specifically noted in *Singer* that it was due to the manufacturer’s “constant and exclusive use” of the mark that helped change its primary significance.<sup>149</sup> More recently, countries in the European Union needed to readjust their markets in order to comply with TRIPS. Spanish producers of sparkling wine previously marketed their products as champagne, but had to find a new term after they could no longer label it as such.<sup>150</sup> Accordingly, the wineries began to call the wine “Cava,” and the world moved on.<sup>151</sup> Of the wines listed in the semi-generic category, the determination of deeming which wines would be non-generic should be done by looking at consumer perception and advertising efforts, as in the *Singer* and *Goodyear* examples above. Moreover, looking at how the Spanish Cava industry moved forward with ease, the entity tasked with reclassifying the wines should not feel hesitant about the thought of categorizing semi-generic wines.

### B. Benefits of Proactive Action

Proactive action could potentially appease friction between the United States and the European Union. The United States’ hesitation to grant GIs strong protection has been an issue that caused a lot of pressure.<sup>152</sup> While countries were drafting the TRIPS Agreement, “[n]egotiations regarding the protection of geographical indications were among the most difficult. Unlike other issues in the Agreement . . . it was the Europeans against North America . . . .”<sup>153</sup>

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146. Jake Linford, *A Linguistic Justification for Protecting “Generic” Trademarks*, 17 YALE J.L. & TECH. 110, 124 (2015) (citing *Singer Mfg. Co. v. Briley*, 207 F.2d 519, 520 n.3 (5th Cir. 1953); *Goodyear Tire & Rubber Co. v. H. Rosenthal Co.*, 246 F. Supp. 724, 729 (D. Minn. 1965)).

147. *Id.*

148. See Ritzert, *supra* note 11, at 222.

149. *Singer*, 207 F.2d at 520 n.3; see also Peter J. Brody, Comment, *Reprotection for Formerly Generic Trademarks*, 82 U. CHI. L. REV. 475, 482–83 (2015).

150. See Nation, *supra* note 76, at 999.

151. *Id.*

152. See Zahn, *supra* note 12, at 482 n.35 (citing Philippe Zylberg, *Geographical Indications v. Trademarks: The Lisbon Agreement: A Violation of TRIPS?*, 11 U. BALT. INTELL. PROP. L.J. 1, 30–39 (2002)).

153. Zylberg, *supra* note 152, at 30–39 (discussing how during “the negotiations for geographical indications, however, the European wine sector strived to achieve additional protection beyond the general standards that were already established, while the North American countries were interested in limiting intellectual property rights rather than extending them.”); see also Zahn, *supra* note 12, at 482 n.35.

In aligning the wines to be closer to the language of TRIPS, the United States could be taking its first step in appeasing this tension. Additionally, if some wines get categorized into the non-generic category, then the grant of greater protection accepts one of the things the European Union has been asking of the United States.<sup>154</sup> While this reinterpreted definition is not precisely the means that the European Union seeks (in contrast to a bilateral agreement), it certainly does more than what the United States does now.<sup>155</sup>

Furthermore, when Australia entered an agreement to increase its protection of European wines, the European Union in return agreed to recognize stronger protection for Australian products traded in the European market.<sup>156</sup> The agreement also stimulated the volume of wine traded between the two markets.<sup>157</sup> The increased volume has been attributed to the “easier access” Australia was given to the European market.<sup>158</sup> While moving wines from semi-generic to non-generic is a smaller step than entering a bilateral agreement, the European Union would be more apt to negotiate greater protection to the North American wines sold in Europe, as well as lower the difficulty it would take to enter European markets.<sup>159</sup> This outcome may justify the argument disfavoring stronger protection, alleging it would serve as a barrier preventing our wineries from fairly referencing geographical locations when describing their wines.<sup>160</sup>

### C. Other Practical Impacts

The actions that harm wine names can also be described as dilutive. Where infringement addresses consumer confusion and deception, dilution establishes a cause of action for uses of a famous mark that lessen its distinguishing power or interfere with its uniqueness.<sup>161</sup> As defined by the Federal Trademark Dilution Act (FTDA), dilution is

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154. See Zahn, *supra* note 12, at 483; CAROL ROBERTSON, *THE LITTLE RED BOOK OF WINE LAW: A CASE OF LEGAL ISSUES* 151 (2008) (“The EU finds terms such as ‘California Champagne’ to be deceptive and confusing to consumers as well as harmful to the image and value of wines produced in regions that rightfully claim the name of that particular place.”). For a further discussion of the tension between the EU and United States, see Hughes, *supra* note 2, at 301–02.

155. Zylberg, *supra* note 152, at 30–39; see also Zahn, *supra* note 12, at 482 n.35.

156. See generally Zahn, *supra* note 12.

157. *Id.* at 493–94.

158. *Id.*

159. *Id.*

160. See *id.* at 496–97 (discussing how the current regulations serve as a barrier by preventing producers from using certain terms to describe their wines). See also generally Glynn S. Lunney, Jr., *Trademark Monopolies*, 48 EMORY L.J. 367 (1999).

161. Rebecca Tushnet, *Gone in Sixty Milliseconds: Trademark Law and Cognitive Science*, 86 TEX. L. REV. 507, 517–18 (2008) (“Even without confusion between Buick cars and Buick aspi-

the “lessening of . . . a famous mark to identify and distinguish goods or services, regardless of the presence or absence of competition between the owner of the famous mark and other parties, or likelihood of confusion, mistake, or deception.”<sup>162</sup> So unlike trademark infringement, where the consumer is deceived or confused about whether the manufacturer of one product also manufactured the infringing product,<sup>163</sup> issues of dilution revolve around a premise that it is clear to the consumer that there are different manufacturers involved.<sup>164</sup> Courts have found that dilution causes various harms to the owner of a mark.<sup>165</sup> The most recognized injuries that define dilution involve blurring and tarnishing.

“Blurring” is the idea that other brands are conjured when the consumer hears the name of the mark.<sup>166</sup> As the Seventh Circuit illustrated in *Ty Inc. v. Perryman*, imagine a high-end restaurant named “Tiffany’s.”<sup>167</sup> If you ask a consumer if they want to go to Tiffany’s, the response may now be “the jewelry store or the restaurant?”<sup>168</sup> On the other hand, “tarnishment” occurs when a mark is weakened through unflattering associations.<sup>169</sup> Posner elaborated on this idea by discussing the potential for a strip club to be named Tiffany’s.<sup>170</sup> Nobody would assume that the jewelry store was associated with the strip club, but nevertheless, the consumer’s “image of the fancy jewelry store will be tarnished by the association of the word with the strip joint” because consumers process different marks by association.<sup>171</sup>

To further explore the practical harm of dilution, researchers conducted an empirical study to measure the cognitive reactions involved when participants were asked to identify the Heineken beer brand

rin, the existence of the latter would make the former less able to sell cars. Many states accepted this theory in subsequent decades and enacted laws providing for relief against dilution.”).

162. Federal Trademark Dilution Act, Pub. L. No. 104-98, 109 Stat. 985, 986 (1996) (codified as amended at 15 U.S.C. § 1125, 1127 (2012)).

163. 15 U.S.C. § 1114 (2012). The likelihood that a consumer will be confused is often treated as the standard for infringement.

164. *Id.* § 1127. Dilution is the “lessening . . . of a famous mark to identify and distinguish goods or services, *regardless of* . . . likelihood of confusion, mistake, or deception.” *Id.* (emphasis added).

165. *Ty Inc. v. Perryman*, 306 F.3d 509 (7th Cir. 2002).

166. *Id.* at 511.

167. *Id.*

168. “Consumers will have to think harder—incur as it were a higher imagination cost—to recognize the name as the name of the store.” *Id.* at 511.

169. See Tushnet, *supra* note 161, at 522 (citing *Perryman*, 306 F.3d at 511).

170. When those aware of a Tiffany’s Strip Club “think of the word ‘Tiffany’ their image of the fancy jewelry store will be tarnished by the association of the word with the strip joint.” *Perryman*, 306 F.3d at 511.

171. *Id.*

under varying circumstances.<sup>172</sup> In that study, a test group was shown diluting ads (“Heineken popcorn”), while the control group only saw ads that used Heineken to identify Heineken beer.<sup>173</sup> When asked to identify Heineken as a brand for beer, those exposed to diluting advertisements took, on average, 770 milliseconds to do so.<sup>174</sup> Meanwhile, those who were not exposed to diluting advertisements took, on average, 645 milliseconds to do so.<sup>175</sup>

The existence of the semi-generic category exacerbates this damage by allowing use of caveats to excuse wine producers’ use of a regional designation to name their wines that come from other regions.<sup>176</sup> One could view the semi-generic category as a sanctioned allowance of dilution, since it allows the use of the name if it clarifies that it comes from a different region, thus contributing to any dilutive harms the wines face.<sup>177</sup> It is also unclear what should happen when the owner of a trademark established prior to the enactment of the wine regulation would face a statutory hurdle if they had a valid claim for dilution. Removal of the semi-generic category would help avoid this uncertainty because the wines would have to be divided into either the generic or non-generic categories. The division would likely decide that either the wine is generic and would not be protected from dilution, or the wine is non-generic and a dilution claim is valid.

Commentators have treated dilution as a means of addressing market failures drawing from trademark law, in that it prevents competitors from free-riding off the goodwill of another trademark just because it is done in a non-confusing manner.<sup>178</sup> Though the debate about whether trademarks are a public or private good has a long and storied past, they arguably create externalities similar to a public good.<sup>179</sup> Contextualized here, using the wine designation comes with various notions about the character of the product.<sup>180</sup> The externality here is the social benefit of evoking a certain image of wine that free-riders gain when using a term like “champagne” regardless of whether the wine originates from Champagne, France. Moreover, markets have been seen as inefficient when entities fail to intervene and ac-

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172. Maureen Morrin & Jacob Jacoby, *Trademark Dilution: Empirical Measures for an Elusive Concept*, 19 J. PUB. POL’Y & MKTG. 265, 268–69 (2000). For a further discussion on the findings of this study, see Tushnet, *supra* note 161, at 521.

173. Morrin & Jacoby, *supra* note 172, at 268–69.

174. *Id.* at 279.

175. *Id.*

176. See Ritzert, *supra* note 11, at 219–20.

177. *Id.*

178. *Id.* at 216.

179. *Id.* at 219–20.

180. *Id.* at 219.

count for the externalities of a certain good.<sup>181</sup> As discussed above, the regulation on semi-generic wines blur the boundaries of a wine producer's rights over a regulated term. Without granting the semi-generic wines clearer protection limiting the externalities of free riding, the semi-generic category fails to internalize externalities.<sup>182</sup> Thus, minimizing the regulation's dilutive effects on semi-generic wine marks will also help improve market inefficiencies since it would help internalize externalities.<sup>183</sup>

## V. CONCLUSION

By protecting geographical indications under trademark law, the United States is attempting to fit a square peg in a round hole. Exacerbating this incongruence, the United States has created a regulation for wines that is neither consistent with trademark law, nor with the international treaties governing their protection. By considering how collective marks indicating geographical origin are not inherently weak, the United States can address the disparities in its wine regulations. Specifically, by removing the semi-generic wine category, its regulations can be closer aligned with both TRIPS and trademark law. This change could not only further uniformity, but it could also remedy the dissension between American and European agreements in regards to intellectual property. And while there may be many differences in how to approach these geographical indications, one thing remains true—everyone around the table enjoys a glass of wine. Cheers.

*Aris D. Suarez*

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181. *Id.* at 214–15.

182. *See* Ritzert, *supra* note 11, at 216–17.

183. *Id.*



