

14 Protecting Geographical Indications as Collective Trademarks: The Prospects and Pitfalls

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Geographical Indications (GIs) are defined in Article 22.1 of TRIPS as 'indications which identify a good as originating in the territory of a Member... where a given quality, reputation or other characteristic of the good is essentially attributable to its geographic origin.' They are words or symbols which indicate both geographical origin as well as certain qualities associated with that origin. Prominent examples include Champagne, Parma ham, Darjeeling tea and Kobe beef. By regulating the use of such labels, consumers are protected against confusion or deception and producers from the region have a collective remedy where their valuable goodwill is misappropriated. Thus GIs are functionally similar to Trademarks.

However, there are important differences as well, as GIs are geographical names, which trademark doctrine considers descriptive and therefore unprotectable. They also give rise to a collective interest in their protection. This report reviews the extent to which these differences are accommodated in the current legal regime for protecting GIs in Japan, which includes administrative regulations, unfair competition law and trademark law. Additionally it focuses on (i) the new Regional Collective Trademarks law due to take effect from 1 April 2006; and (ii) the consequences of international protection of GIs through the trademark regime.

This study concludes by highlighting the inequitable consequences of 'First in Time, First in Right' as a solution to trademark versus GI conflicts, through the case study of international trademark registrations for Kobe beef. It proposes a solution to these conflicts based on the recent WTO Panel Report (DS 174) which considered the relationship between GIs and trademarks.

Introduction

This article explores some of the controversial issues which arise out of the national and international protection of traditional regional products as 'geographical brands' or Geographical Indications (GIs). While there are well established international product labels such as *Scotch* for whisky and *Champagne* for sparkling wine, Japan has several products with tremendous potential, such as *Kobe* beef, *Unumasan Koshihikari* rice and *Wajima* lacquer-ware. The analysis in this article^(*) is therefore concerned with one central issue - What is the most appropriate method for protecting such geographical brands under Intellectual Property (IP) law?

There is already a well developed body of IP law which protects valuable brands and it is widely acknowledged that GIs are functionally

similar to Trademarks. Both ensure that customers are not confused or misled and that genuine producers may benefit from the attractive power or goodwill of these brand names. However, functional similarity does not imply that these two categories of IP overlap completely and several unique problems arise when it comes to GI protection. Consequently while aspects of existing laws with regard to misleading labelling, registered trademarks and unfair competition do apply to such geographical brands, they also require special legal arrangements to ensure adequate protection. Japan has recently introduced new legislation which provides for registered protection of such names as a modified form of Collective Mark. This study asks the following question: To what extent will this consolidated protection regime adequately protect GIs both (a) nationally and (b) internationally?

In answering this question, this study seeks

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(*1) This article summarizes a longer report, which the author compiled as a Visiting Researcher at the Institute of Intellectual Property (IIP), Tokyo. The author would like to thank the IIP for both its generous sponsorship as well as for its assistance and support in the preparation of this work. He also wishes to thank several officials at both the Japan Patent Office (JPO) and the Japan External Trade Organisation (JETRO), who along with Ryo Maruyama provided invaluable guidance.

to understand both the strengths and weaknesses of protecting GIs within the trademark system, rather than under a separate *sui generis* system of protection. It also proposes a solution to some of the inevitable problems which will be faced in this process.

I Geographical Indications : A Conceptual, Legal and Practical Introduction

GIs are a little known species of IP. Therefore an overview of the basic principles of this species of intellectual property is a necessary starting point.

1 Defining GIs: Their Functional Similarity with Trademarks

GIs may be best described as signs which indicate a product's geographical origins and also convey something about its qualities or reputation, which depend on that place of origin.^(*2) Well known examples of such products would include *Champagne* from the region of that name around Epernay in France and *Kobe* beef, from the Hyogo Prefecture of Honshu, Japan. These names apply to regional agricultural products, foodstuffs such as meats and cheese, wines and spirits and possibly even traditional craft products. They indicate a causal connection between the product and the place.

The most relevant legal definition is found in Article 22.1 of TRIPS,^(*3) which reads:

'Geographical indications are, for the purposes of this Agreement, indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin.'

GIs are thus words and symbols which indicate the origin of goods and distinguish them in the market, which is also the case for trademarks. The distilled essence of Trademarks and GIs is that they both protect valuable signs.^(*4)

They are both functionally similar in that:-

- (1) Both indicate the origin of the goods. While the trademark indicates commercial origin, a GI indicates geographical origin.
- (2) Both serve as guarantees of quality. While a trademark guarantees consistent quality, a GI provides more specific guarantees such as a defined area of production, according to a certain traditional process etc
- (3) Finally, both trademarks and GIs can act as valuable commercial brands.

This raises the obvious question: If GIs are trademarks are functionally similar, why should GIs be treated as a separate category of IP? The answer to this lies in the historical development of trademark law and the underlying policies supporting GI protection.

2 The Significant Differences between GIs and Trademarks

Despite their functional similarities, GIs differ from trademarks in three important ways. Unlike a trademark which usually has a single registered owner, there exists a collective interest in the protection of such geographical brands. No single producer from the region can claim exclusive rights to *Banshu Somen*.^(*5) At the same time others from outside this region should not be allowed to use this name. This would deceive consumers as well as unfairly compete with the genuine producers. So what is required is a collective right for all genuine producers to use the name and a right to prevent others from misusing it. Trademark law historically used to vests rights in a single entity. This has now

(*2) For an overview, see <http://www.wipo.int/about-ip/en/geographical_ind.html>

(*3) The Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994 which is Annex 1C of the Marrakesh Agreement Establishing the World Trade Organization 33 ILM 81 (1994). Also available at <http://www.wto.org/english/docs_e/legal_e/legal_e.htm#TRIPS> (hereinafter TRIPS). Part II, Section 3 of TRIPS refers to Geographical Indications.

(*4) For a judicial acknowledgement of the similarities between the two, see *Chocosuisse Union des Fabricants Suisse de Chocolat v Cadbury Ltd* [1998] RPC 117, 128; *Consorzio del Prosciutto di Parma v. Asda Stores Ltd* [2002] FSR 3 (para 100) (HL). For an academic analysis, see N Dawson 'Locating Geographical Indications: Perspectives from English Law' (2000) 90 Trademark Reporter 590, 594.

(*5) *Banshu Somen* has been filed for as a Certification Mark in the US by the Hyogo-ken Kanmen Kyodo Kumiai (Registration No. 2238960). The mark may viewed by searching the US trademark database at <http://tess2.uspto.gov/bin/gate.exe?f=tess&state=f9m86u.2.1>

changed with the introduction of Certification and Collective Marks.^(*6)

The second reason why GIs developed as a separate category was that trademark rights were not granted for geographical terms. In order for a trademark to be registered, a universal requirement is that it must be distinctive.^(*7) However, using a geographical name on the label will usually be descriptive of the place of production of the goods. So a packet of tea with the label 'India' on it will lead consumers to believe that the product originates in India rather than from a specific producer or company. Accordingly geographical terms usually cannot perform a trademark function of indicating a single producer.^(*8) The other significant reason why geographical terms were also not registered by individuals was because there is an interest in keeping such terms free for use by all producers from that region.

Finally, GIs also give effect to specific policy interests, beyond the traditional consumer and producer protection concerns of trademark law. Increasingly, governmental policy for rural development and agricultural policy depends on the protection of GIs, as such valuable brands stimulate the progress of rural regions. This comes at a time when WTO negotiations have resulted in the gradual withdrawal of direct subsidies and state aid for farmers. Such indirect assistance by protecting and promoting traditional products will help regional producers to compete in global markets. Finally, such products are often more than just economic commodities, being part of the rich heritage of a region or country. For e.g. tea in Japan has a rich history of sociological practices and cultural associations. These

products are also therefore protected as national emblems.^(*9)

Thus in many countries, a separate system of registered protection emerged for these geographical labels which allowed for collective rights. Such a system of registered protection which is separate from trademarks is referred to as *sui generis* GI protection in international discussions in this area. Originally France developed the model for protecting such products and it has now been applied at the European level, where a system for the registration and protection of agricultural products and foodstuffs exists under EC Regulation 2081/92.^(*10) The scope of protection is also greater than trademarks. Most trademark protection systems prevent use of a sign which would be confusing or misleading. On the other hand, *sui generis* GI protection prevents the use of such names, even where they may not be any confusion.^(*11) A trademark system would not prevent the use of '*Banshu-style Somen, Made in Korea*' as it would not confuse consumers about the origin of the product. However, this would still misappropriate goodwill and unfairly suggest that the Korean product was the same as the Japanese one. The EC Regulation and other specific agreements like the Lisbon Agreement^(*12) prevent this from happening.

However, instead of establishing a separate system of protection for such labels, some countries have opted to protect such products within the trademark system through Certification Marks or Collective Marks.^(*13) Japan has also opted to protect such product names through a modified Collective Mark regime, as will be seen in Section III below.

(*6) Of these options, Japanese law only provides for Collective Mark registration and as will be seen in Part II, geographical names are usually not permitted to be registered as Collective Marks.

(*7) See Art 15.1 of TRIPS which defines the subject matter of a trademark and reads: 'Any sign, or any combination of signs, *capable of distinguishing* the goods or services *of one undertaking from those of other* undertakings, shall be capable of constituting a trademark.' (emphasis added)

(*8) However, in certain circumstances, geographical terms do become registerable as trademarks for e.g. when they develop secondary meaning.

(*9) Several of the policy reasons for protecting such products are discussed in D Rangnekar 'The Socio-Economics of Geographical Indications'. Available at www.iprsonline.org/unctadictsd/docs/CS_Rangnekar2.pdf

(*10) Council Regulation (EEC) No 2081/92 on the Protection of Geographical Indications and Designations of Origin for Agricultural Products and Foodstuffs [1992] OJ L208 1. (Hereinafter, Regulation 2081) There is a separate set of laws to protect wines and spirits.

(*11) For e.g. see Article 13 of Regulation 2081.

(*12) See Article 3 of the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration, Oct. 31, 1958, 923 UNTS 205 (hereinafter Lisbon Agreement).

(*13) The TRIPS Agreement leaves the choice of protection system open to WTO Members. For Certification Mark protection for geographical names in the USA, see Lanham Act § 4, 15 USCA § 1054. In the UK, Schedule 2 of the Trademark Act 1994 deals extensively with geographical Certification Marks.

3 Where it gets Controversial – Conflicts between Trademarks and GIs

As we have seen in Section I.B above, geographical terms are usually excluded from registration as trademarks. If this rule operated universally, there would never be a conflict between GIs and trademarks. However, the trademark system sometimes declares certain geographical words to be 'generic' or open for use by anybody as they describe a type of product. It also permits the registration of geographical marks in certain situations.

Generic use occurs when a geographical term is used for a kind of product, rather than an indication of the place of origin of that product. For e.g., 'Dijon Mustard' used to denote a style of mustard originally from the French town of Dijon but now refers to a certain kind of mustard, regardless of its place of production.^(*14) This requires expensive litigation, which can be seen from the experiences with protecting the designation *Champagne* in international markets.^(*15) A determination of generic status is often made according to trademark principles and the trademark system does not prevent such products from becoming generic, even after they are registered.

The other area of conflict is where a GI is sought to be protected in a country where there is prior registered trademark right for the same name. This occurs because in certain situations, a geographical name is permitted to be registered as a trademark. This happens when:

(1) These names do not have a primary geographical significance to the relevant public. One of the early cases which reconfigured judicial thinking was *Magnolia's Trade Mark application for metal*.^(*16) 'Magnolia' was an obscure geographical name, so the court determined that if the primary significance of the mark to the

relevant public was not geographic, it could be registered.

(2) Names which were initially geographical have acquired secondary meaning. *Marlboro™* is the name of a leading cigarette brand by Phillip Morris and also a US county.^(*17) By heavy advertising over time, when consumers hear or read *Marlboro™*, they think of the product (cigarettes) and not the place. Thus descriptive names acquire secondary meaning and become distinctive.^(*18)

(3) When the geographical significance may be arbitrary. This implies that no reasonable consumer would think that the products were produced in such a place. Thus *Amazon.com™* may be registered for books as no reasonable consumer would assume that the business is located in the Amazon rainforests.

In all these situations, geographical words can be registered as trademarks, by anyone who files an application. So GIs may be registered as trademarks by registrants from outside the geographical region concerned. This is the reason why the registered protection of GIs becomes a priority.

II The Present Legal Framework for Protecting GIs in Japan

Protection in Japan is provided through a combination of existing laws. These satisfy Japan's existing obligations under international agreements. However, they may not provide adequate protection for Japanese GIs.

1 International Standards of GI Protection

The principal pre-TRIPS international IP agreements, to which Japan is a signatory, usually had fairly low standards of protection for GIs. Existing Japanese law satisfies most of these obligations, which are based on preventing consumers from being deceived, misled or

(*14) Briefly explained at <http://www.wipo.int/about-ip/en/about_geographical_ind.html>

(*15) See *Comite Interprofessionel Du Vin De Champagne And Another v NL Burton Pty Ltd and Another* 38 A.L.R. 664 (FCA) [Australia]; *Chateau-Gai Wines Ltd. v. Institut National des Appellations d'Origine des Vins et Eaux-De-Vie et al.* (1974) 51 D.L.R. (3d) 120 (SC); *Institut national des appellations d'origine des vins et eaux-de-vie v. Andres Wines Ltd.* (1990) 74 O.R. (2d) 203 (CA) [Canada]; *J. Bollinger and Others v. Costa Brava Wine Co. Ltd.* [1960] R.P.C. 16 (Ch D) [U.K.]

These, along with references to other cases on Champagne are listed in Annex I of the full Report.

(*16) *In Re Magnolia Metal Company's Trade-Marks* [1897] 2 Ch 371 (CA)

(*17) See the official county website at <http://www.marlbocounty.sc.gov/>

(*18) See generally *McCarthy on Trademarks and Unfair Competition*, Fourth Edition Ch 15 for an overview of secondary meaning.

confused.

The Paris Convention for the Protection of Industrial Property of 1883^(*19) is the first and most general of the international IP agreements. It prohibits the use of false indications of source, primarily through border measures to prevent the movement of goods which are falsely labeled. The Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods of 1891^(*20) while marginally extending the scope of protection, also provides for border measures and prevents the slide of certain wine-related geographical indications into generic terms, by legislative fiat. Finally, the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration of 1958^(*21) provides for an international registration system and stronger 'absolute' protection, but Japan is not a signatory to it. The relevant standards today are in TRIPS, which is regarded as the most significant international instrument today for GI protection.

So if one were to summarize Japan's international obligations for GI protection, they would be –

(1) All use of geographical terms which is misleading or deceptive must be prohibited.

This is a very broad standard and the existing consumer protection, unfair competition, labelling and advertising regulation laws and trademark laws of most countries already provide for this level of protection. Nothing new is required because it is a relatively low level of protection which essentially prevents consumers from being misled, lied to or cheated.

(2) Geographical terms associated with wines and spirit now receive greater protection, which does not depend on consumer confusion or deception. If the term is being used by producers from outside the

geographical region mentioned on the product, such use is prohibited.

This is a higher standard of protection, which would prevent the 'Banshu-style Somen, Made in Korea' situation from occurring. While this is an important new development in international GI protection its scope is still limited to wines and spirits.^(*22)

2 Japanese Laws Regulating the Use of Geographical Terms

For convenience of analysis, Japanese laws may be divided into those which provide Negative Protection i.e. prevent the registration or use of a geographical term by someone who is not entitled to its exclusive use; and Positive Protection which provides registered protection for the genuine producers of such products.

Negative protection means not allowing the geographical term (e.g. Kobe beef) to be registered or owned either by any one single producer from that region, or producers from outside that region, who can then mislead customers about the origin and quality of the goods. The most significant laws which prevent either of these situations from occurring include:–^(*23)

- (1) Act against Unjustifiable Premiums and Misleading Representations^(*24)
- (2) The Unfair Competition Prevention Law^(*25)
- (3) Notification No. 4 of the National Tax Administration, for wine and spirit names^(*26)
- (4) Trademark Law^(*27) as it normally prevents the registration of geographical marks

As it presently stands, Japan does not provide 'Positive' or registered protection for geographical labels and marks. The most promising possibility was the Collective Mark, which is provided for in Section 7. However, in

(*19) The Paris Convention for the Protection of Industrial Property, 20 Mar 1883 as revised at Stockholm on 14 July 1967, 828 UNTS 305 (1972). (Hereinafter, the Paris Convention)

(*20) Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods, Apr. 14, 1891, 828 UNTS 389 (hereinafter the Madrid Agreement).

(*21) Lisbon Agreement for the Protection of Appellations of Origin and their International Registration, Oct. 31, 1958, 923 UNTS 205 (hereinafter Lisbon Agreement).

(*22) Article 23 of TRIPS.

(*23) Each of these laws is explained in greater detail in the final project report, which is available with the IIP.

(*24) Law No. 134 of 15 May 1962, as amended.

(*25) Law No. 47 of 19 May 1993, as amended

(*26) Notification (28/12/1994) under the Law Concerning Liquor Business Associations (Law No. 7 of 1953). The law is available at <http://www.wipo.int/clea/docs_new/pdf/en/jp/jp013en.pdf>

(*27) Law No. 127 of April 13, 1959, as amended.

Japan, even Collective Marks must satisfy the requirements of sections 3 and 4 of the Trademark Law and as we have seen above, these prevent the registration of geographical marks. This lack of registered protection in Japan led to the introduction of new legislation for the protection of such products – the Law on Regionally Based Collective Marks, which is due to come into effect on 1 April 2006.

III The New Law on Regionally Based Collective Marks

1 An Overview

The new law is centered on a special type of Regionally Based Collective Mark.^(*28) As seen above, a collective mark indicates commercial origin of goods or services from members of a group. Only members of the group who satisfy the conditions for belonging to that group can use the mark. An agricultural cooperative is an example of such a collective organization and it would hold the title for the benefit of all members of the group, who can use it.

The Key Points of the new Law are that:-

- (1) The mark can be applied for by a Collective Association, which is recognized by law. Such marks must be applied to goods which come from that area or have a close connection with it.
- (2) The mark should consist of both the place and product name; e.g. *Kobe Beef* or *Unuma-san Koshihikari Rice*
- (3) Since it consists of a geographical name, it will have to show acquired distinctiveness.
- (4) There are strict limitations on the transfer or assignment of such marks.
- (5) Provision is made for a 'fair use' right for prior users from the area to continue using the mark.
- (6) If the requirements for registration are violated, the marks registration may be opposed or if it has been granted, then invalidated.

2 Possible Contentious Areas

One of the key differences between GIs and traditional trademarks is the former often

requires the involvement of public or quasi-public bodies. This is evident even in countries which have traditionally been opposed to strong GI protection, such as the US and Australia with regard to their wine GI systems. Even in the US, several Certification Marks have been filed which are owned by Government bodies.^(*29) This is due to the public policy interests served by GI protection and discussed in Section I.B above. Therefore the new law would need to consider the involvement of the local or regional government, as a neutral party, in the following situations. While the Japanese Patent Office (JPO) will register such Collective marks, it is not within its present responsibilities to mediate such disputes.

(1) Setting the standards for the product

GIs usually indicate that certain raw materials have been used and a specific procedure has been followed. Thus not any ham from the Parma region of Italy can be called *Prosciutto di Parma*; only ham that is air-dried and cured in a certain traditional way, for a certain number of weeks can use this label. So what happens if there are 100 producers from a region, who seek to register a traditional product and 50 make it by process A.B.C., 40 make it by process A.B.D. and 10 follow process A.B.E.F.? Which is the genuine process? This can become quite political and controversial.

Also in many countries, there is governmental assistance and support programs exist to encourage producers to form collective associations, frame common standards and register such products. This is the case in Europe and countries such as India and Thailand.

(2) Defining the geographical boundaries

Sometimes a town or region has very clear-cut administrative boundaries, which may easily be found on a map. However, in others cases, the geographical name may not correspond exactly with a geographical area for e.g. 'Shinshu' for Soba or 'Shinshu' for apples. Shinshu is a geographical area but does not have precise administrative geographical boundaries today; closest match is Nagano prefecture today. So who will fall within the region and who will be outside

(*28) The author is grateful to the JPO for providing translations of the law. He also acknowledges the useful insights of Ryo Maruyama on the rationale behind such a law.

(*29) For e.g. *Pride of New York* (Serial No. 76580496) filed in 2004 for agricultural products by the New York State Department of Agriculture and Markets; *A Taste of Iowa. Iowa Grown* (Serial No. 76457464) filed in 2002 for agricultural products and foodstuffs by the Iowa Department of Economic Development; *Wisconsin Cheese* (Serial No. 76536404) filed in 2003 for dairy products, namely cheese by the Wisconsin Milk Marketing Board Inc.

it? By involving the local government right from the beginning, there is a greater chance that an accurate and historically authentic boundary will emerge through consensus.

(3) Objectively applying the collective mark, without discrimination

What happens if the collective mark owner does not apply the mark objectively and fairly to any producer who satisfies the specification requirements? The answer appears to be that the aggrieved party can seek the cancellation of the Regionally Based Collective Mark. This principle was also established in a recent US decision with regard to the Certification Trademark for Idaho Potatoes in 2003.^(*30)

This does not mean that the government must interfere in the mark or regulate the mark, but if it is involved in the process in a co-operative manner and supportive, with a light touch, this will probably benefit all concerned.

IV Problems with the International Protection of GIs as Collective Marks

There are significant advantages to protecting such labels through the existing system of trademarks. Adapting Collective Marks instead of introducing a new and possibly cumbersome *sui generis* European-style protection system has obvious advantages. It also does not require setting up a separate formal governmental registry to oversee such registrations. Furthermore, protecting GI products as Collective Marks within the trademark system opens up the possibility of using the international Madrid system, administered by WIPO, to file international trademark registrations after registration in Japan.

However, there is one critical danger with using the trademark system. We have already seen that geographical signs can be registered as trademarks. Furthermore, the trademark system

operates along the lines of 'First in Time, First in Right'. What this means is that in case of a conflict between two marks which are similar or the same, the one which has prior rights will triumph.^(*31) This leads to the inequitable result of speed in registering a mark being the deciding factor for ownership. Trademark registries will usually give the right to exclusive use of the mark to the person who has filed first.

This study makes the alarming discovery that the valuable brand of *Kobe beef* has recently been applied for as a trademark, in various depictions, in the US,^(*32) in Australia^(*33) and in Canada,^(*34) by non-Kobe producers. If the principle of 'First in Time' is followed here, then these applications would be able to prohibit others, including authentic Kobe producers, from selling their product under the *Kobe* name. Such a situation has occurred in the past, when Italian producers of *Parma ham* were obstructed from initially registering their marks in both the US^(*35) and Canada^(*36) because of a prior registration for *Parma*.

An inefficient option would be to commence litigation for invalidation of all these marks in every jurisdiction where a GI has been misappropriated. However, this study concludes on a more optimistic note. It traces the evolution of recent jurisprudence where despite the principle of 'First in Time', subsequent GIs (whether protected under a *sui generis* system of protected under the trademark system) may be permitted to coexist with prior trademarks. This coexistence exists as almost every trademark law allows a descriptive 'fair use' of certain terms on a product label. For e.g. Section 26(1)(ii) of the Japan Trademark Law lays down the 'Limits of trademark right' and states that the effects of a trademark right shall not extend to "(ii) trademarks indicating, in a common way, the common name, origin... quality, raw materials... or the method... of manufacturing... the designated goods". A GI, such as a regionally based collective mark, indicates both the origin of the product as well as acts as a brand – it is *both*

(*30) *Idaho Potato Commission v. M&M Produce Farm & Sales* 335 F 3d 130, 67 USPQ 2d 1348.

(*31) The International Trademark Association (INTA) has suggested that this should be the solution for Trademark v GI conflicts. See *INTA's resolution: Protection of Geographical Indications and Trademarks* (September 24, 1997) at: <http://www.inta.org/policy/res_geointms.html>

(*32) Serial No.s 78510403; 78672855; 78500177; 78442533; 78242973; 74651767.

(*33) 'Kobeef' TM No. 534191; 'Kiwi Kobe Beef' TM No. 642426

(*34) 'Kobeef' Registration No. TMA441166

(*35) *Consorzio del Prosciutto di Parma v Parma Sausage Products* 23 USPQ 2d 1894 (1992 TTAB)

(*36) *Consorzio del Prosciutto di Parma v Maple Leaf Meats Inc* [2001] 2 FC 536 (Federal Court of Canada, Trial Division)

descriptive of origin *and* distinctive. This dual function and therefore the possibility of coexistence has been accepted in the recent WTO Panel Ruling on GIs,^(*37) which means that such an interpretation of the fair use exception under Article 17 of TRIPS would be permissible, despite the rights to exclusive use which trademark owners are guaranteed under Article 16. So while trademark law may not be the best mechanism of securing exclusive rights to use a GI, at least it cannot be used to prevent coexistence.

Conclusion

The focus of this study has been on the protection of GIs within the trademark system. It explains the framework of protection as well as highlights some of the advantages and disadvantages of this method of protection. Where there are disadvantages, it has also suggested solutions. It is hoped that this practical contribution will encourage policy makers and Japanese producers of such products to actively seek protection of their names in international markets. What is at stake here is more than just market economics and increased profits, as such products often reflect the heritage, tradition and culture of a place. GI protection has the potential to improve the conditions farmers and rural producers, who often do not see the benefits of Intellectual Property protection in a globalized world.



(*37) *Report of the WTO Panel: European Communities – Protection of Trademarks and Geographical Indications* (WT/DS174/R) 15 March 2005.