Key differences between trademarks and geographical indications
Alberto Francisco Ribeiro de Almeida

Abstract
Trade marks and geographical indications are intellectual property rights, they are trade distinctive signs, but there are several differences between them, especially concerning the legal regime and juridical nature. They share the same principles that are common to all intellectual property rights, but with some specialities. Geographical indications and trade marks are two very interesting signs to put side by side, but the balance between them does not allow an indifference choice.

I – Introduction
In a globalised and intercommunicative market, and in order to conquest that market, the sale of products demands means of effective identification and differentiation that allow the defence, better understanding and respect of the rural world. In a globalised market, characterised by a ferocious and increasing competition between products, differentiation factors consequently assume a vital importance as a means of affirmation and survival.

On the other hand, it is imperious to conciliate this need for differentiation with the increasing consumers consciousness for the quality factor and the consequent increase of its degree of demand. Nowadays it is not enough to be different; it is also necessary to be among the best. It is precisely in this context that one must place the subject of geographical indications and appellations of origin as a key element in any commercial strategy aiming at the conquest of a solid place in the extremely competitive and demanding market.

Geographical indications and appellations of origin are important distinctive signs in the world trade economy. They comply several functions different from other intellectual property rights, namely trade marks, and are an essential tool in the conquest of new markets. Appellations of origin and geographical indications, in spite of being resources in a competitive world, are also - and this provided they are correctly

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1 Head of the Legal Department, Douro and Port Wine Institute and Assistant Law Professor, Lusíada University, Porto.
regulated – means of consumer protection, of quality assurance, of conservation of the environment and support of fair competition.

II – Definition – appellations of origin, geographical indications and indications of source.

It is useful to give a quick definition of indications of source, appellations of origin and geographical indications.

Concerning indications of source there is a reference in the Paris Convention for the Protection of Industrial Property of 1883 and especially in the Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods of 1891. However, there is no definition of “indication of source” in those two treaties, but an indication of source can be defined as an indication referring to a country, or to a place in that country, as being the country or place of origin of a product. The indication of source concerns to the geographical origin of a product and not to another kind of origin, for example, an enterprise that manufactures the product (this is the trade mark function). This definition does not involve – as a legal function – any special quality or characteristics of the product on which an indication of source is used. Examples of indications of source are the mention, on a product, the name of a country, or indications such as “made in...”

Appellations of origin are defined in the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration, of 1958, as follows: «Appellation of origin means the geographical name of a country, region, or locality, which serves to designate a product originating therein, the quality and characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors». According to this definition, an appellation of origin can be considered as a special kind of indication of source, because the product for which an appellation of origin is used must have quality and characteristics which are due exclusively or essentially to its geographical origin.

The TRIPS Agreement (Trade Related Aspects of Intellectual Property Rights) celebrated in the scope of WTO (World Trade Organisation) provides the following definition of geographical indication: “Geographical indications are, for the purposes of this Agreement, indications which identify a good as originating in the territory of a Member [of the WTO], 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”. The definition of geographical indication in the TRIPS agreement does not expressly refers to appellations of origin or designations of origin, but it adopts a new concept that covers a broader scope than appellations of origin. This is a very good example of approach (in a trade-off environment) between different groups of industrialized countries and how this definition of geographical indication became so useful to developing countries.

According to the above definitions we may conclude that indication of source includes geographical indication and appellation of origin. Indications of source only require that the product originate in a certain geographical area (the true principle). On the other hand, geographical indications imply a particular quality, reputation or other characteristic of the product. Finally, all appellations of origin are geographical indications, but some geographical indications are not appellations of origin.

Let’s look now to the European Regulation (EC) No 510/2006 of 20 March 2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs. Here we can find geographical indications and appellations of origin. Designation of origin means the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff: originating in that region, specific place or country; the quality or characteristics of which are essentially or exclusively due to a particular geographical environment with its inherent natural and human factors; and the production, processing and preparation of which take place in the defined geographical area. Geographical indication means the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff: originating in that region, specific place or country; which possesses a specific quality, reputation or other characteristics attributable to that geographical origin; and the production and/or processing and/or preparation of which take place in the defined geographical area. So, the link with the region is much stronger when we have appellations of origin than when we face a geographical indication. This difference will have effects on the juridical functions of these signs.

The European Regulation (EC) No 479/2008 of 29 of April, on the common organization of the market in the wine, has followed the above Regulation (EC) No 510/2006. That Regulation demands a strong link of the product with the region in order to have the right to use an appellation of origin – the qualities and characteristics must be essentially or exclusively due to the geographical environment, the grapes must come exclusively from the geographical area and the production (which includes vinification,
maturation and, in some cases, bottling) takes place inside the geographical area. On the other hand, geographical indications on the wine sector do not demand the same type of link with the region. In fact, it is enough that the product has a reputation attributable with the geographical area, 15% of the grapes may come from outside the region, but the production must take place inside the geographical area. This new European Regulations allows, for the first time on the wine sector and at the European level, appellations of origin or geographical indications composed by the name of a country.

III – Autonomy – a difficult conquest in time.
Since the Paris Convention for the Protection of Industrial Property of 1883 it has been difficult to protect appellations of origin internationally and in several national jurisdictions. The Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods of 1891 was a step forward, especially on wine designations, but in a small scale. On the other hand the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration, of 1958, was a wonderful achievement on the protection of appellations of origin, but, once again, in a small scale- few countries become members of this special union. However, the number of members has, in the last decade, increased.

The great development of appellations of origin and geographical indications was with the European law and the TRIPS agreement. The Council Regulation (EC) No 510/2006, 20 of March, – which has substituted the Council Regulation No 2081/92 of 14 July 1992 – on the protection of geographical indications and designations of origin for agricultural products and foodstuffs, was a success and before that the European Union had taken some steps to protect wine denominations. Since 1992 we have at the European level a registration system of geographical indications and appellations of origin. With the European Regulation (EC) No 479/2008, finally, this registration system covers also the wine sector. In fact, till now, the level of protection that was conceded to the wine denominations (like Champagne, Port, Bordeaux, Chianti, Tokay, Sherry, etc.) was lower than the one that was established to the other products (meat, fruit, vegetables, bread, and so on). However, this registration system deserves, at least, two critics (and this subject merits other developments on another occasion): the relationship with trade marks creates several exceptions to the principle of priority allowing coexistence too easily (and the right of property concerning a trade mark may be at issue in some cases); on the hand, those Regulations are legally supported on
articles 36 and 37 of the Treaty establishing the European Community, that is, on the rules concerning agriculture policy when we are dealing with intellectual property rights.

After the TRIPS agreement geographical indications can live with autonomy inside the intellectual property law. It is true that the level of protection conceded by the TRIPS agreement to geographical indications is not enough, specially compared with trade marks, but is a start. There are several economic interests that still want a low level of protection in order to continue to use geographical denominations on products that do not come from the geographical area indicated – and generic names can be reverted, especially in the global market that we live today (the territoriality principle may acquire a different significance). However, this is not our aim at the moment.

Taking into account these general remarks, let’s verify the key differences between geographical indications and trade marks.

**IV – Legal functions – distinctive, geographical origin and quality.**

First of all, appellations of origin and geographical indications are product distinctive signs: they identify a product (or even a service) as having originated in a specific place (the distinctive function therefore turns into an indicative means of source). In opposition to these signs one can find the trademark. Trademark distinguishes a product (or several) as proceeding from a specific company (here the above mentioned distinctive function turns into an indication of business origin).

On the other hand, the appellation of origin also assures the consumer that the product holds a certain number of qualities and characteristics, this is to say, that the product is in accordance with a specific regulation and complies to a certain number of specifications whose fulfilment is ensured by a body responsible of its control (which must be impartial and objective).

Therefore, trademarks - guarantee marks and certification marks aside - do not perform a function of quality assurance.

Such a function of quality assurance is not so evident when it comes down to geographical indications. In fact, under article 22 of the TRIPS Agreement, it is sufficient that a specific attribute or reputation or other product characteristic be mainly related to the product’s geographical origin. The link to be established between the product and the region/place from where it proceeds is consequently weak, being
enough that the product’s reputation can be imputed to its specific geographical provenance, this meaning that the quality guarantee function may be at stake here.

Consequently both geographical indication and appellation of origin, and the latter in particular, have also a function of quality guarantee. As long as cases of imitation and usurpation are properly attacked, the consumer will be protected and will not see his preference for quality products with a specific geographical origin defrauded.

Besides satisfying consumers’ interest, appellation of origin and geographical indication are also tools at the service of producers and traders. They are competition tools. While trademarks are usually owned by a single entrepreneur and consequently used only in the satisfaction of his exclusive interest, appellations of origin and geographical indications are common property (being an example of collective property) of the producers and traders of that specific and determined region.

Both appellation of origin and geographical indication appeared essentially as a means for the producers and traders of a specific region succeed in placing their quality products on the market. For this the use of trademarks was not satisfactory. It is certain that we have examples of successful trademarks with great prestige applied to quality products, but only the appellation of origin guarantees the collective promotion and commercialisation of quality products.

Last but not least, the geographical indication and appellation of origin also provide for the satisfaction of collateral and public interests. In the presence of a certain product bearing an appellation of origin, the consumer not only sees a product originating from a certain place and therefore having a certain number of characteristics, but above all he sees a product with a superior degree of quality, with strictly controlled production stages, therefore the consumer is protected. On the other hand, quality products assure the conservation and respect of the environment, the diversification of agricultural production, contribute to rural development and to the maintenance of the rural population. As a matter of fact, production and elaboration of quality products are performed, sometimes, under adverse natural conditions to which only such products persist. Both appellations of origin and geographical indications have been recognised as a means of protecting the traditional knowledge and folklore, which is to say, a People’s culture. Associated to these signs, rural tourism has also been developing itself, in particular the wine routes.

This means that an appellation of origin perform a quality function, besides other collateral functions. A trade mark performs a distinctive function, in terms of
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distinguishing the goods or services of one undertaking from those of other undertakings.

V – Composition – less freedom.

Appellations of origin and geographical indications are, usually, composed by a geographical name (region, locality or, very exceptionally, a country). In fact, the geographical name maybe the name of a administrative region, a historical name, a name of a city, a village, a place, a mountain, a valley, etc. It is this geographical name that will be protected according to the European Regulations.

However, certain traditional geographical or non-geographical names, designating an agricultural product or a foodstuff originating in a region or a specific place, may also be considered as designations of origin.

Names that have become generic may not be registered. This means the name of an agricultural product or a foodstuff which, although it relates to the place or the region where this product or foodstuff was originally produced or marketed, has become the common name of an agricultural product or a foodstuff. A name may not be registered as a designation of origin or a geographical indication where it conflicts with the name of a plant variety or an animal breed and as a result is likely to mislead the public as to the true origin of the product.

A trade mark may consist of any signs capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.

The owner of a trade mark may change the composition of its trade mark or create another trade mark for the same product. This freedom is not conceded to the owners of an appellation of origin or a geographical indication.

VI – Use – no relevance for revocation.

According to the First Council Directive 89/104/EEC, of 21 December 1988, to approximate the laws of the Member States relating to trade marks, a trade mark shall be liable to revocation if, within a continuous period of five years, it has not been put to genuine use in the Member State in connection with the goods or services in respect of which it is registered, and there are no proper reasons for non-use.
Geographical indications and appellations of origin are not liable to revocation for non use and usually there is not a need to renew all the registration.

VII – Licensing – not allowed.

According to the First Council Directive 89/104/EEC, of 21 December 1988, to approximate the laws of the Member States relating to trade marks, a trade mark may be licensed for some or all of the goods or services for which it is registered and for the whole or part of the Member State concerned. A license may be exclusive or non-exclusive.

A trade mark may also be transferred, separately from any transfer of the undertaking, in respect of some or all of the goods or services for which it is registered.

The owner of an appellation of origin or a geographical indication cannot do anything of this. An appellation of origin or a geographical indication cannot be licensed or transferred. In first place this would be against the economic order and a single producer or processor is not the only owner of the geographical indication or appellation of origin.

VIII – Revocation – no revocation if it becomes a common name.

Once again, according to the First Council Directive 89/104/EEC, of 21 December 1988, to approximate the laws of the Member States relating to trade marks, a trade mark may be liable to revocation if, after the date on which it was registered and in consequence of acts or inactivity of the proprietor, it has become the common name in the trade for a product or service in respect of which it is registered.

On the other hand, the Council Regulation (EC) No 510/2006 of 20 March 2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs establishes that a protected designation of origin or a protected geographical indication may not become generic after registration. The Council Regulation (EC) No 479/2008 of 29 of April, on the common organization of the market in the wine, establishes that registered appellations of origin or geographical indications «shall not become generic in the Community». There is a slight difference in the words of both Regulations («may not become» and «shall not become»).

IX – Prestige – difficult to protect.
For some time that the trademarks law gives special protection to prestigious or famous trade marks. In these cases the owner of the trademark is entitled to prevent all third parties not having his consent from using in the course of trade any sign which is identical with, or similar to, the trade mark in relation to goods or services which are not similar to those for which the trade mark is registered, where the latter has a reputation in the Member State and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the reputation of the trade mark.

This enlarged protection has been difficult to establish for appellations of origin and geographical indications. The Council Regulation (EC) No 510/2006 of 20 March 2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs, determines that registered names shall be protected against any direct or indirect commercial use of a registered name in respect of products not covered by the registration in so far as those products are comparable to the products registered under that name or in so far as using the name exploits the reputation of the protected name. Finally (that is, for the first time), on the wine sector, the new Council Regulation (EC) No 479/2008 of 29 of April, has a similar rule. Several court decisions have recognize the prestige of some appellations of origin: «Perfume Champagne», «Biscuits Champagne», «Boudoirs Champagne», «Royal Bain de Champagne», «Champagner bekommen, Sekt bezahlen: IBM Aptiva jetzt zum Vobis-Preis», «Ein Champagner unter den Mineralwässern», «Perrier aus Frankreich. So elegant wie Champagner», «Bordeaux Buffet», «perfume Bordeaux», «Miller-High Life – The Champagne of Beers», etc.

X – Single marks.

Single or individual trademarks must not be descriptive or deceptive. This means that geographical terms cannot serve, as general principle, as individual trademarks. The main rule is that the geographical name must be left free for use by those established or that may be established in the future in that region (the Freihaltebedürfnis doctrine). However, the composition of an individual trade mark by a geographical name may take place if it has acquired distinctive character through use (a secondary meaning), or its use is fanciful and, therefore, is not deceiving as to the origin of the goods on which the trademark is used.
Besides, individual trademarks complies a function completely different from geographical indications and appellations of origin, and their legal regime is also different.

**XI – Collective marks.**

Collective marks are different from geographical indications. Collective marks are owned by a collective body, for example, a trade association or an association of producers or manufacturers, and serve to indicate that the person who uses the collective mark is a member of that collectivity.

A collective mark fulfills a membership function. It does not have, usually, a quality function even if it has a regulation of use. Besides that, it is not compulsory, usually, that the mark should be opened to each producer that complies with the regulation of use. Its use can be limited to the members of the association.

Finally, the protection of collective marks is enforced under general trademark law.

**XII – Certification marks.**

The difference between geographical indications and certifications marks is not as strong as with trade marks or collective marks.

Certification marks are marks which designate that the products or services on which they are used have specific qualities, which may also comprise geographical origin. The owner of the certification mark undertakes to certify that the products or services on which the certification mark is used have those qualities.

This means that a certification mark perform a guarantee function.

On the other hand, every producer who complies with rules of production as established by the owner of the certification mark has the right to use that mark. The owner must guarantee that the goods or services on which the certification mark is used hold the certified quality. This means that the owner of the certification mark has to define comprehensive regulations which stipulate, namely, the characteristics certified, the authorized users and information concerning the certification and control. Usually, the owner of the certification mark is not allowed to use the certification mark himself.

However, certifications marks are enforced under general trademark law and they don’t have the same juridical nature, as we will see, as an appellation of origin or a geographical indication.
XIII – Juridical nature – communal property.

Designations of origin and geographical indications are, in their juridical nature, very special. They are distinctive signs, they are industrial property rights, but they are not property of one single person or association or public institution. Designations of origin and geographical indications, in our opinion, does not constitute a type of co-ownership or roman common property, but the German type of common property (the Gemeinschaft zur gesammten Hand), that is, a communal property. This means that the designation of origin or the geographical indication belong to several persons, to a collectivity of persons who are the owners of the designation. The use and fruition of the designation belongs to the whole collectivity, that is, to all producers and traders of the demarcated region whose products comply with the established rules.

Taking this into account, who is entitled to apply for registration? The whole or the disorganized group of producers and traders owners of the designation of origin are not entitled to apply for registration. This would be impossible because we cannot determine, in a stable and solid way, which are the owners of the designation of origin.

According to the European law relating to the protection of designations of origin and geographical indications (Regulations already mentioned) only a group is entitled to apply for registration. For the purpose of those Regulations, a group means any association, irrespective of its legal form or composition, of producers and/or processors working with the same agriculture product or foodstuff. Other interested parties may participate in the group.

However, it is possible for a natural or legal person to submit an application for registration, but subject to certain conditions.

It is also possible for a group of individuals without legal personality but where the national law treats as a legal person, to submit an application for registration.

Two final remarks relating to the European law: in first place, a group or a natural or legal person may apply for registration only in respect of agricultural products or foodstuffs which it produces or obtains; in second place, and this is I think, a very important observation, the group that applies for registration must be “opened” or “unlocked”, that is, the number of producers or processors is not “locked” in time, but instead is always changing. Each newcomer whose products comply with the specifications established has the right to use the corresponding designation of origin or geographical indication. In fact, the legitimate users of an designation of origin or geographical indication are all the producers and/or processors whose products, coming
from a certain region, comply with the rules that govern the use of the designation or geographical indication.

On the other hand, trade marks are exclusive property of the owner. The collective mark and the certification mark are used by several persons, but the owner is a single or a legal person.

Finally, the owner of a trade mark may use it as he wishes, in any product, produced in any enterprise and in any place or in several countries at the same time. He may change the quality of the product, the way he presents the product, etc. The owner of an appellation of origin or geographical indication does not have the same freedom, as we saw.

XIV – Public dimension – a special feature.

Geographical indications are an extraordinary competition tool (as long as a lawful competition is assured) at the service of the producers and traders from a specific region but they also accomplish a public dimension:

- they contribute in a decisive way to the safeguard of consumers’ interests;
- they carry out a quality function [in fact the product must be in accordance with a specific regulation and comply to a certain number of specifications whose fulfilment is ensured by a body responsible for its control (which must be impartial and objective)].
- they are means of conservation of the environment and support of fair competition;
- they contribute to the defence, added value and respect for the rural world;
- they have been recognised as a means of protecting the traditional knowledge and folklore, which is to say, a People’s culture.

This means that geographical indications and particularly appellations of origin perform a function or several functions, profit from a juridical content and a juridical nature that qualifies these intellectual property rights as promoting a public dimension that is not present in the same way in other intellectual property rights, like trade marks.

XV - Models of protection – no harmony.

It is important to give an idea of the several models of protection concerning appellations of origin and geographical indications. Concerning trade marks the model
is established, usually it is trough a registration procedure. But in the field of
appellations of origin and geographical indications there is no harmony.

Each national and regional regime has its own legal traditions, historical and
economic conditions. These differences relate, for example, the conditions of protection,
extitlement to use and scope of protection. The main models are the following:

- Unfair competition and passing off;
- Protected appellations of origin and registered geographical indications;
- Collective and certification trademarks;
- Administrative schemes of protection.

So, appellations of origin and geographical indications maybe protected trough the
mechanism of trade marks, especially collective and certification trademarks. It is
important to underline that those mechanisms of protection can be used in a cumulative
way.

These several mechanisms of protection can be characterized by two aims:

- the protection of consumers against misleading use of geographical indications
  and generally all geographical names;
- the protection of the owners of the collective goodwill connected to
  geographical indications against misrepresentations with the consequence of
  misappropriation of that goodwill, specially through protection and registration
  schemes.

The European Union with the Council Regulation (EC) No 510/2006 of 20 March
2006 on the protection of geographical indications and designations of origin for
agricultural products and foodstuffs has created a system of registration with a high
level of protection. The same has now been established for the wine denomination with

**XVI – Conclusion.**

There are several differences between geographical indications and trade marks.
These differences explain the autonomous regime of appellations of origin and
geographical indications. The European Law takes into account these differences and
establishes different rules for both intellectual property rights.

However there is a long road to go in order to guarantee the success of appellations
of origin and geographical indications. In fact, at the WTO there is no agreement in
order to establish a multilateral system of notification and registration of geographical
indications (at least a true registration system and not only a data base without any legal force) as well as the same level of protection to all geographical indications (wines and spirits denominations have a higher level of protection at the TRIPS agreement) – but this, also, would leave us to others worlds of the geographical indications.