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I LIKE CABERNET AND MERLOT BUT I'M NOT DRINKING BORDEAUX: CERTIFIED CONFUSION

ANGELA HUISINGH

ABSTRACT

A trademark's purpose is to help consumers identify a service or product's source. To this end, trademark owners may prevent others from using their marks on similar goods. But to ensure that a few savvy businesspersons do not monopolize certain terms, the Lanham Act carves out specific exceptions to trademark protection. Some of these exceptions include indications of geographic origin, such as Bordeaux and Napa Valley. Wine, however, has long been identified primarily by the geographic region in which its grapes grow. To ameliorate this fundamental divide, and to preserve the integrity of their Geographical Indications in the eyes of consumers, wine producers may obtain certification marks. But in wine trademark disputes, courts have inconsistently applied consumer confusion analyses, creating an unclear "standard" that wine producers must meet in order to protect their marks. This comment introduces and compares trademark protections under TRIPS and the Lanham Act. In the context of wine, it explains the significance of Geographic Indications as source indications, outlining why they are a point of contention in international trademark law. It then goes on to explain the substantive protections that are available to a Geographic Indication under the Lanham Act. Through an analysis of courts' interpretations of TRIPS and the Lanham Act, this comment concludes that courts often misidentify the consumer relevant to the analysis. Rather than a highly sophisticated consumer, this comment proposes that the true consumer of wine is the average consumer, with limited exceptions. This comment proposes that courts adopt an average consumer analysis unless it is proven by a preponderance of the evidence that the consumer is sophisticated. The comment concludes by answering possible critiques that this change would bring.

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ANGELA HUISINGH*

INTRODUCTION

In the early twentieth century, producers in France were mixing wine from inferior regions into bottles labeled Bordeaux and Champagne.¹ To fight such widespread market saturation and fraud, France established in 1905 its first law governing the appellation of wine origins.² The law was ineffective because it loosely combatted labeling fraud without addressing region classification disputes or quality controls.³ Without a system in place to protect their unique *terroir* (the character of the region represented in the wine), the producers of Bordeaux spearheaded an arduous campaign for more stringent regulation, causing riotous outbursts.⁴ Finally, in 1935, the imperative quality control legislation, *Appellation d'Origine Contrôlée* (“AOC”), was established.⁵ The AOC has broad authority to restrict yields, articulate regional borders, and ensure appropriate varietal use.⁶

Like the producers of Bordeaux, states with well-known domestic wine producing regions such as California, Oregon, and Washington have made similar attempts to regulate the quality of wine originating from them.⁷ The United States wine industry took off with its victory against the French wines of Burgundy and

* © Angela Huisingsh 2013. J.D. candidate, January 2015, The John Marshall Law School. B.A. in Philosophy and Political Science, University of Tennessee, May 2008. My humblest thanks to Master Sommelier Serafin Alvarado; my inexhaustibly enthusiastic and knowledgeable professor of wine. Throughout the years, his passion taught me to appreciate the complexity and nuance encompassed in every glass. And, in no small part thanks to him, I passed the first level with the Court of Master Sommeliers. Many thanks to the RIPL board for their patience and attention to detail.

¹ TYLER COLMAN, *WINE POLITICS: HOW GOVERNMENTS, ENVIRONMENTALISTS, MOBSTERS, AND CRITICS INFLUENCE THE WINE WE DRINK* 18 (Univ. of Cal. Press ed., 2008).

² *Id.* at 18–19.

³ *Id.* at 19.

⁴ *Id.* at 18 (characterizing the unrest as “the most violent peasant disorders that France had known since the Revolution,” in which demonstrators filled town squares and “agitated winegrowers staged a taxpayers’ strike”).

⁵ *Id.* at 22.

⁶ *Id.* Regulations that classify wine regions are concerned with the issues of controlling yield and quality, because many producers add varietals not suited to express the region’s *terroir* to the blends. JANCIS ROBINSON, *THE OXFORD COMPANION TO WINE* 27 (3d ed. 2006). Bordeaux serves as an excellent example of the complexity of the regulations as applied to *terroir*. *See id.* at 89. Within Bordeaux there are several AOCs, generally distinguished by whether they fall on the left or right banks of the Gironde river. *Id.* The significance of the distinction is far from arbitrary, as the soil types, mostly limestone on the left bank and predominantly clay on the right bank, are best suited to Cabernet Sauvignon and Merlot respectively. *Id.* at 89–90. Given the soil compositions as well as temperature, rainfall, and sunlight, the AOC Bordeaux requires Cabernet and Merlot to be the predominant varietals, a fact which eludes most United States consumers. *See id.*

⁷ *See* CAL. BUS. & PROF. CODE § 25241 (2012); OR. ADMIN. R. 845-010-0920 (2011); WASH. REV. CODE § 66.28.110(2)(a) (2013).

Bordeaux in the famous blind tasting of 1976.⁸ Though plagued by similar issues of quality control and overproduction of bulk wine,⁹ the majority of litigation in the United States has been over brand names.¹⁰ Consumers in the United States do not learn about wine based on regions; rather, grape varietal and brand names dominate how they come to appreciate wine.¹¹ But the recent trend in the most-developed wine regions in the United States indicates a growing desire among domestic wine producers to protect their regional *terroirs* from fraud and misrepresentation of origin.¹²

Certification marks fill the gaps of traditional trademark law by “protecting” geographical indications (“GIs”) from becoming generic and losing protection.¹³ However, courts have inconsistently applied the consumer confusion analysis to both international and domestic wine disputes over trademark infringement and false designation of origin.¹⁴

⁸ Orley Ashenfelter et al., *Wine-Tasting Epiphany: An Analysis of the 1976 California vs. France Tasting*, in *WINE AND PHILOSOPHY: A SYMPOSIUM ON THINKING AND DRINKING* 237, 237 (Fritz Allhoff ed., 2008). The Napa Valley, California wines—Stag’s Leap Wine Cellars in the red category, and Château Montelena in the white—beat out world-renowned wines from Bordeaux and Burgundy, such as Château Mouton Rothschild and Bâtard-Montrachet Ramonet-Prudhon. *Id.* Bordeaux and Burgundy exemplify an ongoing debate within France over the role of *terroir* versus the producer. See Matt Kramer, *The Notion of Terroir*, in *WINE AND PHILOSOPHY: A SYMPOSIUM ON THINKING AND DRINKING* 225, 230 (Fritz Allhoff ed., 2008). Namely, the traditional view, exemplified by Burgundy, is that the grape is the vessel of the region, and the producer should facilitate the direct translation of the regional qualities to the wine. *Id.* Bordeaux, with its many famous Châteaux, on the other hand, highlights the producer and the region. HUGH JOHNSON & JANCIS ROBINSON, *THE WORLD ATLAS OF WINE* 60, 64 (Gill Pitts et al. eds., 5th ed. 2005). Thus, the Bordeaux label emphasizes the producer more than its Burgundy counterpart. *Id.* In the examples from each region mentioned above, Bâtard-Montrachet is the vineyard in Burgundy and Ramonet-Prudhon is the producer, whereas Château Mouton Rothchild is the producer in Bordeaux. *Id.* at 60.

⁹ CAROL ROBERTSON, *THE LITTLE RED BOOK OF WINE LAW: A CASE OF LEGAL ISSUES* 131 (Am. Bar Ass’n. ed., 2008).

¹⁰ See ROBERTSON, *supra* note 9, at 84–85 (discussing the climate of competition among the lower quality producers, e.g. E. & J Gallo, the largest producer of wine in the early 1990s, to distinguish their products from each other on the basis of labeling and bottle type rather than quality of product); *Kendall-Jackson Winery, Ltd. v. E. & J. Gallo Winery*, 150 F.3d 1042, 1053 (9th Cir. 1998) (holding that E. & J. Gallo did not copy any distinct quality of Kendall-Jackson’s bottle of middle-tier wine, which had the label “Vintner’s Reserve” and a grape-leaf logo, despite E. & J. Gallo’s use of a similar logo on its bulk wine).

¹¹ See BRIAN K. JULYAN, *SALES & SERVICE FOR THE WINE PROFESSIONAL* 41, 78 (Lucy Mills ed., 3d ed. 2008); COLMAN, *supra* note 1, at 28–29.

¹² See CAL. BUS. & PROF. CODE § 25241 (2012); OR. ADMIN. R. 845-010-0920 (2011); WASH. REV. CODE § 66.28.110(2)(a) (2013); *Bronco Wine Co. v. Jolly*, 95 P.3d 422, 432–33 (Cal. 2004). The California state regulation survived Gallo’s challenge in a battle that ended in a denial of certiorari by the Supreme Court. See *Bronco Wine Co. v. Jolly*, 29 Cal. Rptr. 3d 462, 499 (Cal. Ct. App. 2005) (upholding California legislation that prevents the use of the name of a recognized viticultural area within Napa County even if it complies with the less restrictive federal regulations).

¹³ 15 U.S.C. § 1054 (2012).

¹⁴ *Compare* *Roederer v. J. Garcia Carrion, S.A.*, 732 F. Supp. 2d 836, 870 (D. Minn. 2010) (finding relevant the degree of care the consumer generally exercises when purchasing Champagne), *and* *Vigneron Partners, LLC v. Woop Woop Wines Pty. Ltd.*, No. C 06-00527 JF, 2006 U.S. Dist. LEXIS 28407, at *22–23 (N.D. Cal. May 5, 2006) (finding the relevant inquiry depends on the quality of the wine being purchased despite previous courts’ characterizations of wine consumers as

Part I of this comment examines the current state of protection for GIs in light of international trade agreements and domestic trademark law, with a particular view toward the areas where consumer awareness dictates legal standards. Part II analyzes the inconsistencies in application of the consumer confusion analysis to GIs in wine-growing regions and highlights the inadequacies of the test as applied to foreign and domestic disputes. It argues that domestic winemakers will require protection beyond certification marks as wine gains popularity, but remains widely misunderstood by consumers. Part III proposes that courts should presume that the consumer relevant to wine-related certification mark analyses should be non-discerning. This way, courts could afford a stronger presumption of distinctiveness to domestic and international GIs.

I. BACKGROUND

There is a fundamental theoretical divide between the European and United States approaches to protection for GIs.¹⁵ The European Union favors broad substantive property rights for GIs.¹⁶ The United States, on the other hand, emphasizes facilitation of market efficiency.¹⁷ The Lanham Act protects the integrity of marks and GIs in the United States.¹⁸ The Act protects GIs not as traditional trademarks, but rather, as certification marks.¹⁹ Nonetheless, U.S. courts evaluate both types of marks with similar distinctiveness and consumer confusion analyses.²⁰ Some federal and state regulations indicate a possible trend in the United States toward the more substantive approach to protection for GIs that most of Europe uses.²¹

impulse buyers), *with E. & J. Gallo Winery v. Consorzio Del Gallo Nero*, 782 F. Supp. 457, 465 (N.D. Cal. 1991) (finding the average consumers of wine are not connoisseurs who exercise care beyond impulse).

¹⁵ *See* *Cmty. of Roquefort v. William Faehndrich, Inc.*, 303 F.2d 494, 496 (2d Cir. 1962); Harun Kazmi, *Does it Make a Difference Where That Chablis Comes From? Geographic Indications in TRIPS and NAFTA*, 12 J. CONTEMP. LEGAL ISSUES 470, 472 (2001).

¹⁶ Tomer Broude, *Taking Trade and Culture Seriously: Geographical Indications and Cultural Protection in WTO Law*, 9336 U. PA. J. INT'L ECON. L. 623, 631 (2005).

¹⁷ *See* *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 783–84 (1992) (Stevens, J., concurring).

¹⁸ 15 U.S.C. § 1054 (2012); *Tea Bd. of India v. Republic of Tea Inc.*, 80 U.S.P.Q. 2d 1881, 1883 (T.T.A.B. 2006).

¹⁹ 15 U.S.C. § 1054 (2012); *Tea Bd. of India*, 80 U.S.P.Q. 2d at 1883.

²⁰ *Tea Bd. of India*, 80 U.S.P.Q. 2d at 1882–83; *see also Cmty. of Roquefort*, 303 F.2d at 496–97 (articulating that the Lanham Act protects GIs only if it has become a distinctive term understood by the general public to refer to the goods the mark certifies).

²¹ 27 U.S.C. § 205(e) (2012); CAL. BUS. & PROF. CODE § 25241 (2012); OR. ADMIN. R. 845-010-0920 (2011); WASH. REV. CODE § 66.28.110(2) (a) (2013).

A. TRIPS: The Substantive Perspective

The Agreement on Trade-Related Aspects of Intellectual Property (“TRIPS”) represents an attempt to reach a compromise between the two seemingly irreconcilable approaches to protection for GIs.²² At the heart of the clash lies a theoretical divide between protecting the geographical origin itself, as opposed to the producer of the goods.²³ The European Union favors broader property rights for GIs to protect the regions themselves, as well as the unique cultures they evince.²⁴ The United States, on the other hand, focuses primarily on prevention of consumer confusion and facilitation of market efficiency, and affords less protection to GIs.²⁵

Article 22 of TRIPS defines geographical indications as territories “where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin.”²⁶ Article 22 then requires each member to provide its own legal means to prevent infringing uses that “indicate[] or suggest[]” that the good originated in a particular GI when in fact it did not.²⁷

Article 23 provides additional protection for wines and spirits.²⁸ It prohibits the use of a false GI on a label, even if it indicates the actual place of origin.²⁹ The Article is an attempt to prevent terms of geographical significance from becoming generic descriptors for a type of wine.³⁰ It specifically addresses the risk of “genericide” in the United States.³¹ For example, prior to TRIPS, the Federal Circuit affirmed the registration of the mark CHABLIS WITH A TWIST, holding that Chablis had become a generic descriptor for a type of wine in the United States.³² As

²² Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Annex 1C, 1869 U.N.T.S. 299 [hereinafter TRIPS].

²³ *Cnty. of Roquefort*, 303 F.2d at 496; see also Kazmi, *supra* note 15, at 472 (describing European nations’ frustration with the United States’ failure to restrict the use of certain geographic indications).

²⁴ Broude, *supra* note 16, at 631 (discussing the importance of culture as a justification for protection of GIs); see also Justin Hughes, *Champagne, Feta, and Bourbon: The Spirited Debate About Geographical Indications*, 58 HASTINGS L.J. 299, 303 (2006) (exploring the capacity of GIs to create evocative and aesthetic value).

²⁵ See *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 783–84 (1992) (Stevens, J., concurring); Christine H. Farley, *Conflicts Between U.S. Law and International Treaties Concerning Geographical Indications*, 22 WHITTIER L. REV. 73, 76–77 (2000) (exemplifying the U.S. approach through a discussion of the conflict between Anheuser-Busch and a 700-year-old brewery in a region known as Budweis in the Czech Republic over use of the term “Budweiser”).

²⁶ TRIPS, *supra* note 22, art. 22(1).

²⁷ *Id.* art 22(2)(a).

²⁸ *Id.* art. 23.

²⁹ *Id.*

³⁰ Farley, *supra* note 25, at 80.

³¹ 15 U.S.C. § 1064(3) (2012); Farley, *supra* note 25, at 80–81. The term genericide refers to the loss of trademark protection for marks that become generic. See Farley, *supra* note 25, at 80–81; *Freecycle Network, Inc. v. Oey*, 505 F.3d 898, 905 (2007).

³² *Institut National Des Appellations D’Origine v. Vinters Int’l Co.*, 958 F.2d 1574, 1581 (Fed. Cir. 1992). Interestingly, even if sales in the United States are substantial, courts often do not find foreign producers have standing to challenge certification of American Viticultural Areas (AVAs) for use on wine labels due to lack of actual harm. See, e.g., *Sociedad Anonima Vina Santa Rita v. U.S. Dep’t of the Treasury*, 193 F. Supp. 2d 6, 20 (D.D.C. 2001) (holding that the Chilean producer of SANTA RITA wines did not have standing to bring a claim for dilution or infringement against the

a result, the defendant and other producers were free to use the GI “Chablis” without indicating their wine originated elsewhere.³³

B. United States Trademark Law: Location Branded?

As a threshold to trademark protection under the Lanham Act, a mark must be at least distinctive.³⁴ A mark is distinctive when it distinguishes the source of the product from other sources.³⁵ There are five general categories of marks: (1) generic, (2) descriptive, (3) suggestive, (4) arbitrary, and (5) fanciful.³⁶ Generic terms are indistinct and receive no protection.³⁷ Generic terms are not protected because they do not aid consumers in identifying the sources of the goods.³⁸ Courts afford the strongest protection to arbitrary or fanciful marks because they, along with suggestive marks, are inherently distinctive.³⁹

Descriptive marks are not inherently distinctive, but may gain protection if they acquire a secondary meaning⁴⁰ A geographical indication is a descriptive mark and must therefore acquire a secondary meaning before it is protectable.⁴¹ A descriptive mark obtains a secondary meaning when “in the minds of the public,” it can be used “to identify the source of the product rather than the product” or the geographic

BATF for certifying “Santa Rita Hills” as an AVA despite a substantial U.S. market for the Chilean wine).

³³ *Vinters Int’l Co.*, 958 F.2d at 1581.

³⁴ 15 U.S.C. § 1052(f) (2012).

³⁵ *Id.*

³⁶ *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992); *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976); *see also Kendall-Jackson Winery, Ltd. v. E. & J. Gallo Winery*, 150 F.3d 1042, 1047 (9th Cir. 1998) (applying the categories of distinctiveness analysis to wine trademark disputes).

³⁷ 15 U.S.C. § 1064(3) (2012); *Leelanau Wine Cellars v. Black & Red*, 502 F.3d 504, 513 (6th Cir. 2007); *Kellogg Co. v. Nat’l Biscuit Co.*, 305 U.S. 111, 116 (1938) (finding the term “Shredded Wheat” to be a generic word for a pillow shaped biscuit).

³⁸ Deborah J. Kemp & Lynn M. Forsythe, *Trademarks and Geographical Indications: A Case of California Champagne*, 10 CHAP. L. REV. 257, 266 (2006). With wine, the source of the goods refers to the producer and not the region of origin. *Id.*

³⁹ *Leelanau Wine Cellars*, 502 F.3d at 512. While courts afford the strongest protection to fanciful and arbitrary marks, the presumption of distinctiveness does not necessarily apply when compared to non-similar products. *See Sullivan v. CBS Corp.*, 385 F.3d 772, 777 (7th Cir. 2004) (holding that SURVIVOR was an inherently distinctive rock band mark as compared to other rock bands, but not when compared to SURVIVOR the television program).

⁴⁰ *Leelanau Wine Cellars*, 502 F.3d at 513.

⁴¹ 15 U.S.C. § 1052(a) (2012); *see also Leelanau Wine Cellars*, 502 F.3d at 513 (articulating that a mark containing a GI as part of its brand name is not necessarily descriptive, particularly when the region is not known for the product at issue); Mark A. Thurmon, *Recent Developments in Trademark Law*, 9 WAKE FOREST INTELL. PROP. L.J. 1, 6 (2009). Professor Thurmon argues that terms including a geographical indication still deserve a distinctiveness analysis based on the facts and surrounding circumstances of the case. *Id.* He argues that the term “Utah Lighthouse,” used for a business that promotes criticisms of the Church of Jesus Christ of Latter-Day Saints, is not descriptive despite its use of a geographical indication. *Id.*; *see also Utah Lighthouse Ministry v. Found. for Apologetic Info. & Res.*, 527 F.3d 1045, 1048–49 (10th Cir. 2008).

origin.⁴² Some wine GIs, such as Champagne and Chablis, which have become generic in the United States, belong to a statutorily created category called semi-generic marks.⁴³ The statute provides these semi-generic marks with slightly more protection than they would have as non-distinctive generic marks.⁴⁴

An applicant may register a trademark under the Lanham Act if the mark is distinctive and it meets the criteria laid out in § 1052.⁴⁵ For example, the mark must be non-functional, not scandalous or immoral, and not disparaging of a person, living or deceased.⁴⁶ If a mark is registered under the Act, courts presume the mark is distinctive.⁴⁷ The presumption of distinctiveness shifts the burden of proof from the trademark-holder to the alleged infringer.⁴⁸ The Act also protects unregistered marks if a court determines they meet the Act's registration criteria.⁴⁹ The United States Patent and Trademark Office ("USPTO") will not register a mark if, when used "in connection with the goods" in question, it "is primarily geographically deceptively misdescriptive of them."⁵⁰ To prove this, the USPTO requires that the location of origin of the goods is material to the consumer's decision to purchase those goods.⁵¹

Once courts determine the mark has met the threshold Section 1052 requirements for protection, an infringement claim must establish a likelihood of consumer confusion.⁵² Courts employ variations of an eight-factor test to determine

⁴² *Leelanau Wine Cellars*, 502 F.3d at 513 (quoting *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 851 n.11 (1982)).

⁴³ 26 U.S.C. § 5388(c)(2)(B) (2012). The statute contains a list of semi-generic designations of wine regions in Europe such as Burgundy, Champagne, Chablis, Chianti, Madeira, and Tokay. 26 U.S.C. § 5388(c)(2)(B). Producers may not include regions designated as semi-generic on wine labels without identifying the true region of origin. 26 U.S.C. § 5388(c)(1).

⁴⁴ See *Hughes*, *supra* note 24, at 379 n.419 (comparing BATFE's category of semi-generic marks to a class of "highly descriptive" marks exempted from trademark protection).

⁴⁵ 15 U.S.C. § 1052 (2012).

⁴⁶ 15 U.S.C. § 1052(a).

⁴⁷ 15 U.S.C. § 1115(a) (2012); see also *Packman v. Chi. Tribune Co.*, 267 F.3d 628, 638 (7th Cir. 2001) (finding a registered trademark creates a presumption of distinctiveness; or, if it is a descriptive mark, that it has obtained a secondary meaning).

⁴⁸ *Leelanau Wine Cellars v. Black & Red*, F.3d 504, 513 (6th Cir. 2007); *Burke-Parsons-Bowlby Corp. v. Appalachian Log Homes, Inc.*, 871 F.2d 590, 594 (1989).

⁴⁹ 15 U.S.C. § 1052(f); *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992).

⁵⁰ 15 U.S.C. § 1052(e)(3).

⁵¹ *In re Cal. Innovations, Inc.*, 329 F.3d 1334, 1340 (Fed. Cir. 2003). The court held that the mere existence of a goods-place association is insufficient to create an inference of deception without a showing that the association is material to consumers. *Id.* In so doing, the "material to consumers element" was added to the Section 1052(e) "primarily geographically deceptively misdescriptive" test. *Id.* The court heightened the standard for non-registerability of geographically descriptive marks beyond a mere showing of the existence of a goods-place association. *Id.*; see also *Institut National Des Appellations D'Origine v. Vinters Int'l Co.*, 958 F.2d 1574, 1578 (Fed. Cir. 1992) (allowing the registration of CHABLIS WITH A TWIST when the French winemaker plaintiff was unable to show a goods-place association). *But see Mary LaFrance, Innovation Palpitations: The Confusing Status of Geographically Misdescriptive Trademarks*, 12 J. INTELL. PROP. L. 125, 142 (2004) (arguing that it is not clear that Congress intended to create the same standard for both § 1052(a) and § 1052(e)(3), particularly since they are separate categories).

⁵² 15 U.S.C. § 1052(d) (2012); *Leelanau Wine Cellars, v. Black & Red*, 502 F.3d 504, 515 (6th Cir. 2007).

whether consumers are likely to think the brands are confusingly similar.⁵³ Many courts apply the following factors:

- (1) strength of the senior mark; (2) relatedness of the goods or services; (3) similarity of the marks; (4) evidence of actual confusion; (5) marketing channels used; (6) likely degree of purchaser care; (7) the intent of defendant in selecting the mark; and (8) likelihood of expansion of the product lines.⁵⁴

Courts do not always require consideration of all the factors in their analyses.⁵⁵ Application of the consumer confusion analysis to wine depends on a number of issues, such as the degree of care exercised by the consumer,⁵⁶ and application of the similarity of the marks prong.⁵⁷ Some courts have held that the consumer relevant to the test is the discerning wine drinker.⁵⁸ Others have attempted to determine how discerning a consumer is with respect to the particular wine.⁵⁹ Still others have held the standard is the average consumer.⁶⁰

In addition, courts have held that the distinctiveness of the label design, not the statutorily-required descriptive information, helps consumers distinguish between the wines.⁶¹ Such a holding disfavors Old World wine-producing nations that

⁵³ See, e.g., *Leelanau Wine Cellars*, 502 F.3d at 515. The Eighth Circuit uses a six-factor test. See, e.g., *Roederer v. J. Garcia Carrion, S.A.*, 732 F. Supp. 2d 836, 864 (D. Minn. 2010).

⁵⁴ See, e.g., *Leelanau Wine Cellars v. Black & Red*, F.3d 504, 515 (6th Cir. 2007); *Kellogg Co. v. Exxon Corp.*, 209 F.3d 562, 568 (6th Cir. 2000).

⁵⁵ *Leelanau Wine Cellars*, 502 F.3d at 515; *Kellogg Co.*, 209 F.3d at 568.

⁵⁶ *Compare Roederer*, 732 F. Supp. 2d at 870 (finding the degree of care the consumer generally exercises when purchasing Champagne is the relevant criterion), *with E. & J. Gallo Winery v. Consorzio Del Gallo Nero*, 782 F. Supp. 457, 465 (N.D. Cal. 1991) (finding the average consumers of wine are impulse buyers).

⁵⁷ See *Leelanau Wine Cellars*, 502 F.3d at 516. For purposes of the similarity of the marks prong of the consumer confusion analysis, confusion is more likely if the marks are similar and in direct competition. *Id.* Thus, when marks containing the same AVA designation are in direct competition, the analysis is reduced to a question of which mark is more senior. *Id.* But see *Roederer*, 732 F. Supp. at 878. There, the Cava producer had been distributing its brand in the United States longer and in higher volume than CRISTAL. *Id.* But because CRISTAL was more famous, the Cava, from an entirely separate region, had to alter its labels to avoid consumer confusion. *Id.*

⁵⁸ *Roederer*, 732 F. Supp. at 844, 870, 875 (finding that the degree of care the consumer generally exercises when purchasing Champagne is the relevant criterion). The court so found even though Cava, Spanish sparkling wine, sold at \$10 per bottle, and CRISTAL, at \$200 per bottle.

⁵⁹ *Vigneron Partners, LLC v. Woop Woop Wines Pty. Ltd.*, No. C 06-00527 JF, 2006 U.S. Dist. LEXIS 28407, at *22 (N.D. Cal. May 5, 2006) (finding the relevant inquiry depends on the quality of the wine being purchased despite previous courts' characterizations of wine consumers as impulse buyers).

⁶⁰ *E. & J. Gallo Winery*, 782 F. Supp. at 465 (finding the average consumers of wine are not connoisseurs who exercise care beyond impulse when making purchases). The average consumers are therefore easy targets for trademark infringement. *Id.*

⁶¹ *Nova Wines, Inc. v. Adler Fels Winery LLC*, 467 F. Supp. 2d 965, 981–82 (N.D. Cal. 2006).

typically rely on descriptive information rather than ornamental flair to distinguish their wines from each other.⁶²

C. Origin Certified: GI Protected?

Traditionally, the Lanham Act does not protect marks that are descriptive of a geographical region.⁶³ However, applicants may protect their GIs under the Act by registering them either as collective marks, or as certification marks.⁶⁴ According to the Act, the entity that registers and regulates the mark must be separate from the parties that will use the mark.⁶⁵ Some courts presume a GI certification mark is more distinctive than geographically descriptive marks.⁶⁶ Therefore, certification marks are a possible compromise between the substantive European perspective and the traditional United States approach.⁶⁷

Certification marks are an explicit exception from the § 1052(e) list of unregistrable marks.⁶⁸ Examples of certification marks registered in the United States include variations of IDAHO POTATOES,⁶⁹ WASHINGTON for apples,⁷⁰ DARJEELING for tea,⁷¹ ROQUEFORT for cheese,⁷² and COGNAC for

⁶² *Societe Civile Des Domaines Dourthe Freres v. S.A. Consortium Vinicole De Bordeaux Et De La Gironde*, 6 U.S.P.Q.2d 1205, 1208 (T.T.A.B. 1988) (holding that the United States consumers' understanding of a French last name was relevant to the inquiry of consumer confusion).

⁶³ 15 U.S.C. § 1052(e) (2012).

⁶⁴ 15 U.S.C. § 1054 (2012); *Bureau Nat'l Interprofessionnel Du Cognac v. Int'l Better Drinks Corp.*, 47 U.S.P.Q.2d 1875, 1883 (T.T.A.B. 1998) (holding that the geographical indication COGNAC had obtained protected status as a certification mark).

⁶⁵ 15 U.S.C. § 1127 (2012). The Act defines certification mark as follows:

- (1) used by a person other than its owner, or (2) which its owner has a bona fide intention to permit a person other than the owner to use in commerce and files an application to register on the principal register established by this chapter, to certify regional or other origin, material, mode of manufacture, quality, accuracy, or other characteristics of such person's goods or services or that the work or labor on the goods or services was performed by members of a union or other organization.

Id.

⁶⁶ *Tea Bd. of India v. Republic of Tea Inc.*, 80 U.S.P.Q.2d 1881, 1899 (T.T.A.B. 2006); *see also* Peter M. Brody, *Geographical Indications and Dilution: Reinterpreting "Distinctiveness" Under the Lanham Act*, 100 TRADEMARK REP. 905, 925 (2010) (discussing the possibility that certification marks may be inherently distinctive even if they are GIs so long as the consumer can identify the GI as the source of the product).

⁶⁷ Brody, *supra* note 66, at 907.

⁶⁸ 15 U.S.C. § 1052(e)(2) (2012).

⁶⁹ U.S. Trademark Registration No. 2,403,069 (filed Mar. 17, 1997) (FAMOUS IDAHO POTATOES FAMOUS POTATOES GROWN IN IDAHO certification mark owned by Idaho Potato Commission); U.S. Trademark Registration No. 1,735,559 (filed July 21, 1991) (GROWN IN IDAHO POTATOES certification mark owned by State of Idaho Potato Commission).

⁷⁰ U.S. Trademark Registration No. 1,528,514 (filed Dec. 30, 1985) (WASHINGTON certification mark owned by Washington State Apple Advertising Commission).

⁷¹ U.S. Trademark Registration No. 1,632,726 (filed July 1, 1998) (DARJEELING certification mark owned by the Tea Board of India).

brandy.⁷³ To maintain protection as a certification mark, the registrant must be able to maintain control over the use of that mark.⁷⁴ A registrant maintains control over the mark unless it loses its significance as an indication of regional origin for the goods.⁷⁵ As with trademarks, the Act provides for cancellation of certification marks if the mark-holder fails to maintain such control.⁷⁶ Therefore, seeking cancellation of a certification mark is one possible avenue open to producers seeking to use GIs on goods originating elsewhere.⁷⁷

As with trademarks, the petitioner seeking the cancellation of a certification mark has the burden of proving by a preponderance of the evidence that the mark-holder no longer maintains control of it.⁷⁸ There are two purposes for the control requirement.⁷⁹ The first purpose is to protect the value of the mark itself, including the value of the mark as a means of identifying the source.⁸⁰ The second is to protect the public from being misled as to the origin and genuineness of the mark.⁸¹ Accordingly, a certification mark-holder can fail to exercise control in two ways.⁸² First, a mark-holder can lose control by either expressly or implicitly permitting a party to use the mark without complying with the quality or origin requirements.⁸³ Second, similarly to genericide, mark-holders lose control if the mark loses its distinctiveness as a source identifier.⁸⁴

The Act also provides for the cancellation of certification marks if they become generic.⁸⁵ Famous international examples of GIs that became generic include Champagne, Chablis, Dijon, and Camembert.⁸⁶ While no company may have an exclusive right to use a term that has become generic in connection with certain goods, it is possible for that same term to be descriptive or even fanciful in connection with other products.⁸⁷

⁷² U.S. Trademark Registration No. 571,798 (filed Feb. 13, 1952) (ROQUEFORT certification mark owned by community of Roquefort).

⁷³ *Institut National Des Appellations d'Origine v. Brown-Forman Corp.*, 47 U.S.P.Q.2d 1875, 1883 (T.T.A.B. 1998).

⁷⁴ 15 U.S.C. § 1064(5) (2012); *Tea Bd. of India v. Republic of Tea Inc.*, 80 U.S.P.Q.2d 1881, 1886 (T.T.A.B. 2006).

⁷⁵ 15 U.S.C. § 1064(5); *Tea Bd. of India*, 80 U.S.P.Q.2d at 1887 (T.T.A.B. 2006).

⁷⁶ 15 U.S.C. § 1064(5) (2012); *Swiss Watch Int'l, Inc. v. Fed'n of the Swiss Watch Indus.*, 101 U.S.P.Q.2d 1731, 1738–39 (T.T.A.B. 2012).

⁷⁷ Brody, *supra* note 66, at 917.

⁷⁸ *Midwest Plastic Fabricators Inc. v. Underwriters Laboratories Inc.*, 906 F.2d 1568, 1572 (Fed. Cir. 1990).

⁷⁹ *Swiss Watch Int'l, Inc.*, 101 U.S.P.Q.2d at 1739.

⁸⁰ *Id.*

⁸¹ *See Peel v. Atty. Registration & Disciplinary Comm'n*, 496 U.S. 91, 102 (1990) (finding a certification, like a trademark, is only as good as the quality it can assure consumers).

⁸² *See Swiss Watch Int'l*, 101 U.S.P.Q.2d at 1739.

⁸³ *Id.*

⁸⁴ *Id.*

⁸⁵ 15 U.S.C. § 1064(3) (2012).

⁸⁶ *See Hughes, supra* note 24, at 374 (discussing GIs such as Dijon and Camembert that have become generic in parts of Europe just as they have in the United States).

⁸⁷ *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 10 (2d Cir. 1976).

D. United States Substantive Regulations: Barriers to Commerce or Protection for GIs?

To sell wine and spirits in commerce, each label requires a Certificate of Label Approval (“COLA”).⁸⁸ The Bureau of Alcohol, Tobacco, Firearms, and Explosives (“BATFE”) issues a COLA for information such as geographical origin and alcohol content.⁸⁹ The BATFE may prevent a mark owner from using its mark by refusing to issue a COLA.⁹⁰ Therefore, U.S. law does, to a certain extent, substantively limit the use of GIs as trademarks.⁹¹

The BATFE sets forth conditions governing the use of American Viticultural Areas (“AVAs”) on wine labels.⁹² To establish an AVA, the BATFE evaluates a petition from “any interested party” for evidence that the area in the petition is locally or nationally known to refer to the region in question, that the boundaries in the petition are accurate, and that the viticultural features described are distinct from those of the surrounding regions.⁹³ The BATFE therefore evaluates the likelihood of consumer confusion prior to certifying an area as an AVA.⁹⁴

A brand name of geographical significance may not be used on a label unless it meets the requirements of that AVA.⁹⁵ In order to comply with BATFE regulations, a brand name of geographical significance must indicate the actual place of origin or take affirmative steps to prevent consumers from confusing the brand name with the AVA.⁹⁶

If consumers can be confused despite source identifying information, then producers must rely on other factors, such as pictures on their labels, to distinguish

⁸⁸ 27 U.S.C. § 205(e) (2012).

⁸⁹ 27 U.S.C. § 205(e). The BATFE has the authority to regulate trademarks because Sections 205(e)(1) and (2) authorize it to promulgate regulations to prevent the deception of consumers and provide information to them about the source and quality of the wines. *Bronco Wine Co. v. U.S. Dep’t of Treasury*, 997 F. Supp. 1318, 1323 (E.D. Cal. 1997), *aff’d*, 168 F.3d 498 (9th Cir. 1999).

⁹⁰ *Bronco Wine Co. v. Jolly*, 29 Cal. Rptr. 3d 462, 499 (Cal. Ct. App. 2005). While a COLA is a substantive regulation, it does not constitute a taking because the use of a COLA is but one right in the bundle, and a mark owner is free to use the mark on other goods. *Id.*

⁹¹ *See id.*

⁹² 27 C.F.R. § 4.25(e) (2012). There are 208 certified AVAs in the United States. 27 C.F.R. §§ 9.22–9.229 (2012). An AVA may be used on a wine label as an appellation of origin only if 85% of the grapes used in production come from the area and it is approved under section 9.3 of the same act. 27 C.F.R. § 4.25. In stark contrast, France’s AOCs maintain rigid yield, production area, alcohol strength and grape variety control. Robinson, *supra* note 6, at 26–27.

⁹³ 27 C.F.R. § 9.12(a) (2012).

⁹⁴ *See, e.g., Sociedad Anonima Vina Santa Rita v. U.S. Dep’t of the Treasury*, 193 F. Supp. 2d 6, 16 (D.D.C. 2001) (upholding the BATFE’s conclusion that consumer confusion between AVA Santa Rita Hills in California and SANTA RITA of Chili was sufficiently unlikely to permit certification of Santa Rita Hills as an AVA despite SANTA RITA’s considerable sales in the United States).

⁹⁵ 27 C.F.R. § 4.39(i) (2012); *see also Bronco Wine Co. v. U.S. Dept. of Treasury*, 997 F. Supp. 1318, 1320 (E.D. Cal. 1997) (finding the brand name Rutherford Vineyard, located in the AVA of Napa Valley, is a brand name of geographical significance where Rutherford is a separate AVA); *Leelanau Wine Cellars v. Black & Red*, 502 F.3d 504, 514 (6th Cir. 2007) (finding certification as an AVA is strong evidence against the determination that a mark using the AVA designation had obtained a secondary meaning).

⁹⁶ *Bronco Wine Co.*, 997 F. Supp. at 1321.

their wines from others in the region.⁹⁷ A producer in any particular region is therefore encouraged to build consumer recognition by adding artistic flair to the label.⁹⁸ One way courts adjust a brand's location on the distinctiveness spectrum is the "need test."⁹⁹ The test operates by moving the mark along the spectrum depending upon how much consumers need the mark to identify the product.¹⁰⁰ Old World labels rely on GIs to denote varietal, alcohol percentage, yield and production limits, time spent aging, and even vinification methods.¹⁰¹ Such information is either descriptive or generic, and fails a distinctiveness analysis.¹⁰² Conversely, protection for GIs encourages development of recognition through a culture of quality.¹⁰³

II. ANALYSIS

Despite TRIPS protections, wine GIs are disadvantaged in the distinctiveness and consumer confusion analyses.¹⁰⁴ Certification marks provide a possible means of protecting GIs.¹⁰⁵ They are insufficient, however, because they are still subject to the consumer confusion analysis and cannot account for inherent value.¹⁰⁶ Moreover, courts are inconsistent in applying the relevant consumer standard in the likelihood of confusion test.¹⁰⁷

⁹⁷ *Roederer v. J. Garcia Carrion, S.A.*, 732 F. Supp. 2d 836, 877 (D. Minn. 2010) (holding likelihood of confusion between CRISTAL and CRISTALINO despite France and Spain being identified as the respective locations of origin).

⁹⁸ *See Nova Wines, Inc. v. Adler Fels Winery LLC*, 467 F. Supp. 2d 965, 981–82 (N.D. Cal. 2006) (finding that consumers distinguish wines based on the distinctiveness of the labels' artwork and not the source-identifying information).

⁹⁹ *Stark v. Diageo Chateau & Estate Wines Co.*, No. 12-CV-4385, 2012 U.S. Dist. LEXIS 157794, at *36–37 (N.D. Cal. Nov. 1, 2012) (explaining that a mark's level of distinctiveness may be lower if consumers can identify the producer as the source of the product without the mark).

¹⁰⁰ *Miss World (UK) Ltd. v. Mrs. America Pageants, Inc.*, 856 F.2d 1445, 1449 (9th Cir. 1988).

¹⁰¹ *Broude*, *supra* note 16, at 654–55.

¹⁰² *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 769 (1992).

¹⁰³ *See Hughes*, *supra* note 24, at 362–63 (discussing the gradual cultivation of AOC regulations in Burgundy to maximize the regional expression of the Champagne grape).

¹⁰⁴ *See Kendall-Jackson Winery, Ltd. v. E. & J. Gallo Winery*, 150 F.3d 1042, 1047 (9th Cir. 1998) (discussing how descriptive marks fall in the middle of two extremes, generic and fanciful marks).

¹⁰⁵ *Tea Bd. of India v. Republic of Tea, Inc.*, 80 U.S.P.Q.2d 1881, 1883 (T.T.A.B. 2006).

¹⁰⁶ *Tea Bd. of India*, 80 U.S.P.Q.2d at 1882; David A. Simon, *Register Trademarks and Keep the Faith: Trademarks, Religion and Identity*, 49 IDEA 233, 238 (2009).

¹⁰⁷ *Compare Roederer v. J. Garcia Carrion, S.A.*, 732 F. Supp. 2d 836, 877 (D. Minn. 2010) (finding the degree of care the consumer generally exercises when purchasing Champagne is the relevant criterion), *with E. & J. Gallo Winery v. Consorzio Del Gallo Nero*, 782 F. Supp. 457, 465 (N.D. Cal. 1991) (finding the average consumers of wine are not connoisseurs who exercise care beyond impulse).

A. Descriptive Words Under TRIPS: "Imported" Confusion?

The United States' fulfillment of the TRIPS Article 23 requirement¹⁰⁸ should mean that the prohibition against false GIs operate irrespective of consumer confusion.¹⁰⁹ Instead, U.S. courts look at consumer confusion: they hold that GIs accompanied by words such as "imported" clearly indicate to the consumer that the product does not originate from the source depicted.¹¹⁰ The United States' adherence to Article 23 of TRIPS should also prohibit uses of false wine GIs irrespective of additional distinguishing features such as the word "style."¹¹¹ But United States COLA requirements permit such uses so long as the alleged infringer attempts to dispel confusion.¹¹² Therefore, unlike in the United States, TRIPS substantively prohibits uses that do not confuse consumers as to the source.¹¹³

There are also disparities in the distinctiveness analysis in the United States. With respect to the threshold distinctiveness analysis, some courts hold that if an AVA is BATFE-certified, it is evidence of likelihood of confusion with a similar non-geographic wine mark.¹¹⁴ The Sixth Circuit, on the other hand, has suggested that the existence of an AVA is evidence that the descriptive mark does not have a secondary meaning.¹¹⁵ The inconsistent protection courts afford to AVA certification results in a disparity in the distinctiveness analysis.¹¹⁶

Given this disparity, even if a court finds a GI is sufficiently distinctive, some courts hold that consumers can be confused despite descriptive information on labels.¹¹⁷ Yet the District Court for the District of Columbia has held that the language "imported by" on the back of a bottle is sufficient to dispel the possibility of confusion in which a foreign brand is the same as an AVA.¹¹⁸ In so holding, the court

¹⁰⁸ TRIPS, *supra* note 22, art. 23.

¹⁰⁹ Hughes, *supra* note 24, at 382.

¹¹⁰ *Sociedad Anonima Vina Santa Rita v. U.S. Dep't of the Treasury*, 193 F. Supp. 2d 6, 18–19 (D.D.C. 2001).

¹¹¹ TRIPS, *supra* note 22, art. 23(1); *see also* Stacy D. Goldberg, *Who Will Raise the White Flag? The Battle Between the United States and the European Union Over the Protection of Geographical Indications*, 22 U. PA. J. INT'L ECON. L. 107, 120 (2001) (stating that the TRIPS Article 23 standard is strict because it applies even if consumers will not be misled by labels containing distinguishing features such as "style" or "imitation").

¹¹² *Bronco Wine Co. v. U.S. Dep't of Treasury*, 997 F. Supp. 1318, 1321 (E.D. Cal. 1997). Furthermore, congressional attempts to fight wide spread label fraud and overproduction in the United States have been thwarted, prompting states to enact additional protection when labels utilize false GIs. *Bronco Wine Co. v. Jolly*, 95 P.3d 422, 432–33 (Cal. 2004).

¹¹³ Hughes, *supra* note 24, at 381.

¹¹⁴ *Callaway Vineyard & Winery v. Endsley Capital Grp., Inc.*, 63 U.S.P.Q.2d 1919, 1923 (T.T.A.B. 2002). In *Callaway*, the court held that the mark COASTAL WINERY was descriptive rather than suggestive, in part because the BATFE had not certified an AVA called "Coastal." *Id.* at 1922. Thus, consumers would not need to use their imagination to associate COASTAL WINERY with wine produced on the coast, and no secondary meaning was present. *Id.* The court failed to mention that there is an AVA called "Central Coast," of which, only a small part is actually coastal. 27 C.F.R. § 9.75 (2012).

¹¹⁵ *Leelanau Wine Cellars v. Black & Red*, 502 F.3d 504, 514–15 (6th Cir. 2007).

¹¹⁶ *Kendall-Jackson Winery, Ltd. v. E. & J. Gallo Winery*, 150 F.3d 1042, 1047 (9th Cir. 1998).

¹¹⁷ *Nova Wines, Inc. v. Adler Fels Winery LLC*, 467 F. Supp. 2d 965, 981–82 (N.D. Cal. 2006).

¹¹⁸ *Sociedad Anonima Vina Santa Rita v. U.S. Dep't of the Treasury*, 193 F. Supp. 2d 6, 18–19 (D.D.C. 2001).

noted that the BATFE's purpose in certifying an AVA is distinct from the purpose of trademark protection.¹¹⁹ The court reasoned that trademarks protect the markholder, whereas GIs protect the integrity of a region.¹²⁰ The court therefore held that the Lanham Act does not extend the same type of exclusive right of use for GIs.¹²¹ But the court's reasoning fails to account for certification marks that can protect the integrity of a region—by prohibiting producers who fail to meet certain quality standards from using the GIs.¹²²

B. Certified Loss of Control?

Although certification marks can provide greater protection for GIs, the protection is still contingent upon how consumers view the identities of the marks.¹²³ As mentioned above, the Act provides for cancellation if registrants do not maintain control of their marks, and consumer confusion helps measure that control.¹²⁴ Therefore, the consumer's understanding of the mark is crucial to maintaining protection.¹²⁵

Proponents of certification marks as a means to protect wine GIs assert that they inherently protect quality.¹²⁶ Proponents further argue that certification marks

¹¹⁹ *Id.* Compare *id.* at 22 (noting that protection for GIs serves the producer while trademark protection primarily functions to ensure the consumer is not harmed by confusingly similar marks), with *Tunisia L. Staten, Geographical Indications Protection Under the TRIPS Agreement: Uniformity Not Extension*, 87 J. PAT. & TRADEMARK OFF. SOC'Y 221, 241 (2005) (arguing that the traditional view of GIs as distinct from trademarks is outdated and fails to account for the fundamental similarity between the underlying purpose of protecting the source, whether that source is the product producer or the geographic place of origin).

¹²⁰ *Sociedad Anonima Vina Santa Rita*, 193 F. Supp. 2d at 21–22. Additionally, it is possible that substantial regulation of the quality of GIs will lead to treatment of the regions as collectivized, which would preempt individual corporate action in the area. *Delano Farms Co. v. Cal. Table Grape Comm'n*, 546 F. Supp. 2d 859, 941 (E.D. Cal. 2008). Plaintiffs in *Delano Farms* argued that the result of such collective treatment stifled their First Amendment rights as table grape growers who did not meet the quality requirements. *Id.* at 948–49. The plaintiff's claim to the constitutionality of the table grape grower's provision was denied. *Id.* at 950–51. Constitutional challenges to such regulation have tapered off. See Jennifer Williams Zwagerman, *Checking Out the Checkoff: An Overview and Where We are Now that the Legal Battles Have Quietened*, 14 DRAKE J. AGRIC. L. 149, 172 (2009). Some proponents argue that the benefits of additional funding that result from compliance with the regulations benefit domestic producers rather than stifle their commercial speech. *Id.*

¹²¹ *Sociedad Anonima Vina Santa Rita*, 193 F. Supp. 2d at 21–22.

¹²² See, e.g., *Tea Bd. of India v. Republic of Tea, Inc.*, 80 U.S.P.Q.2d 1881, 1883 (T.T.A.B. 2006).

¹²³ Simon, *supra* note 106, at 238.

¹²⁴ See *Tea Bd. of India*, 80 U.S.P.Q. 2d at 1883.

¹²⁵ See *id.*

¹²⁶ Staten, *supra* note 119, at 224; see also Rosemary J. Coombe, et al., *Bearing Cultural Distinction: Informational Capitalism and New Expectations for Intellectual Property*, 40 U.C. DAVIS L. REV. 891, 899 (2007) (discussing the potential of GIs to protect quality as a means to cultivate symbolic value for specific locales such as developing nations); Robert C. Ulin, *Globalization and Alternative Localities*, 46 ANTHROPOLOGICA 153, 156–62 (2004) (arguing that new regions can graft cultural value to their GIs in order to compete with regions such as Bordeaux that have been privileged under the traditional system); William J. Seiter, *Feature: On Your Mark: Recent Ninth Circuit Opinions Indicate What Should and Should not be Included in a Trademark*

are efficient due to the “maintain control” requirement.¹²⁷ Such marks are efficient because they are self-policing and do not require additional government regulation.¹²⁸ Proponents propose that protecting GIs beyond certification marks is inefficient because it requires additional substantive laws and governmental agencies.¹²⁹ To them, certification marks are ideal because they allow a body to regulate quality by giving producers permission to use the mark, without requiring that the regulating body be a government agency.¹³⁰

But proponents struggle to counter the argument that the protection of certification marks depends on the consumer’s continued appreciation of that source as distinctive.¹³¹ The inherent value of a GI depends entirely on the consumer’s understanding.¹³² If the certification mark-holder fails to maintain exclusive control or fails to prevent the mark from obtaining a generic meaning, then there is no reason to protect the mark.¹³³ Certification mark-holders can take steps to educate the public about the inherent value of the GI.¹³⁴ This statement, however, does not take seriously the view that “cultural communities consider their cultural heritage to have intrinsic value.”¹³⁵

The inherent value of wine GIs subsists on the concept of *terroir*.¹³⁶ *Terroir* is a concept that the Trademark Trial and Appeal Board (“TTAB”) has held is commonly used among wine industry professionals, such that words pertaining to it are less distinctive.¹³⁷ Nonetheless, the nuances encompassed in the term often escape the average, non-sophisticated wine consumer.¹³⁸

While Old World wine-producing regions are the traditional advocates of *terroir*, New World producers increasingly distinguish their wines in terms of the characteristics applicable to *terroir* as well.¹³⁹ The problem for those interested in protecting the intrinsic value of *terroir* is that it requires substantive intellectual

Licensing Agreement, 25 L.A. LAW. 37, 38–39 (2003) (discussing the abandonment ramifications of failure to include quality provisions in a licensing agreement).

¹²⁷ Staten, *supra* note 119, at 242–43.

¹²⁸ *Id.*

¹²⁹ *Id.* at 242.

¹³⁰ *Id.*

¹³¹ *Comiti Interprofessionnel du vin de Champagne v. Vickers*, No. DCO2011-0026, 2011 UDRP LEXIS 1242, at *45 (WIPO Arbitration & Mediation Ctr. June 21, 2011); *see also* Simon, *supra* note 106, at 276.

¹³² *See* Coombe, et al., *supra* note 126, at 914–15.

¹³³ *Tea Bd. of India v. Republic of Tea, Inc.*, 80 U.S.P.Q.2d 1881, 1886 (T.T.A.B. 2006); *see also* Broude, *supra* note 16, at 647 (discussing the primary purpose of GIs is prevention of fraud and not protection of any inherent values that the GI may represent due to the consumer driven focus of intellectual property law).

¹³⁴ *See Tea Bd. of India*, 80 U.S.P.Q.2d at 1886.

¹³⁵ Intergovernmental Comm. on Intellectual Prop. and Genetic Res., Traditional Knowledge & Folklore, *The Protection of Traditional Cultural Expressions/Expressions of Folklore: Revised Objectives and Principles*, Annex, at 3, WIPO/GRTKF/IC/8/4 (Apr. 8, 2005).

¹³⁶ Kramer, *supra* note 8, at 230.

¹³⁷ *In re Les Collines, LLC*, 2011 TTAB LEXIS 249, at *19–20 (T.T.A.B. 2011).

¹³⁸ Hughes, *supra* note 24, at 358.

¹³⁹ *Id.* at 364.

property laws such as TRIPS Article 23, which, as critics point out, are inefficient.¹⁴⁰ While critics generally view this as an international issue, the substantive laws enacted by California, Oregon, and Washington, which broaden protections for AVAs beyond federal law, indicate a domestic trend toward expanding substantive GI protection beyond that of certification marks.¹⁴¹

C. Quality? Who Cares? So Long As It's Not Fowl

Protection of both foreign and domestic GIs as certification marks, as well as protection from geographically misdescriptive uses, depends on the consumer's understanding.¹⁴² Therefore, inconsistent application of the "misrepresentation was material to the consumer" standard is particularly troubling.¹⁴³ In *Vigneron Partners, LLC v. Woop Woop Wines Pty. Ltd.*, the Northern District of California reiterated that the consumer it considers relevant to the analysis is the ignorant one.¹⁴⁴ But the court noted that precedent permits a case-by-case evaluation when the prices of wines vary.¹⁴⁵ The court held that there was a likelihood of confusion between THE BLACK CHOOK and BLACK CHICKEN because the back of the defendant's wine bottle explained that "chook" was slang for "chicken" in Australia.¹⁴⁶

A challenge from the Chilean winery "Vina Santa Rita" further exemplifies some of the issues with the consumer confusion analysis.¹⁴⁷ The winemaker argued that

¹⁴⁰ See Kal Raustiala, *International Rights Approaches to Intellectual Property: Commentary: Density and Conflict in International Intellectual Property Law*, 40 U.C. DAVIS L. REV. 1021, 1026–27 (2007) (discussing among other issues that substantive intellectual property rules can lead to forum shopping on an international scale, which leads to an ever-increasing number of international treaties).

¹⁴¹ CAL. BUS. & PROF. CODE § 25241 (2012); OR. ADMIN. R. 845–010–0920 (2011); WASH. REV. CODE § 66.28.110(2) (a) (2013). Compare Jay Kiiha, *Trade Protectionism of Wine Brand Names at the Expense of American Viticultural Areas: Arbitrary Protection of "Big Liquor" at the Expense of Small Vineyards*, 9 DRAKE J. AGRIC. L. 157, 171–72 (2003) (discussing the California legislature's attempt to close the grandfather clause in federal COLA requirements permitting use of brand names of viticultural significance in perpetuity so long as they gained fame prior to enactment of the federal law), with Lee Ann W. Lockridge, *Abolishing State Trademark Registrations*, 29 CARDOZO ARTS & ENT L.J. 597, 649 (2012) (arguing that even state registrations with good faith requirements in the prior use defense serve little purpose since they are pre-empted once the business expands into interstate commerce, even if the federal registrant is a junior user who failed to conduct an adequate trademark search prior to registration).

¹⁴² *Tea Bd. of India v. Republic of Tea, Inc.*, 80 U.S.P.Q.2d 1881, 1899 (T.T.A.B. 2006).

¹⁴³ See *In re Cal. Innovations, Inc.*, 329 F.3d 1334, 1340–41 (Fed. Cir. 2003).

¹⁴⁴ *Vigneron Partners, LLC v. Woop Woop Wines Pty Ltd.*, C 06-00527 JF, 2006 U.S. Dist. LEXIS 28407 at *22–23 (N.D. Cal. May 5, 2006).

¹⁴⁵ *Id.* In another recent decision, the Northern District of California applied a discerning consumer standard to a trademark dispute because the plaintiff's wine was directed toward consumers of Lodi Zinfandel. *Round Hill Cellars v. Lolonis Winery*, No. C-11-00757 JSW EDL, 2011 WL 6961333, at *4 (N.D. Cal. Dec. 9, 2011).

¹⁴⁶ *Vigneron Partners, LLC*, 2006 U.S. Dist. LEXIS 28407, at *32. Since the court's ruling, Woop Woop's "The Black Chook" trademark has been canceled. THE BLACK CHOOK, Registration No. 2,966,473 (canceled Oct. 5, 2012).

¹⁴⁷ See *Sociedad Anonima Vina Santa Rita v. U.S. Dep't of the Treasury*, 193 F. Supp. 2d 6, 10 (D.D.C. 2001).

the BATFE should not have certified the AVA “Santa Rita Hills” due to likelihood of consumer confusion.¹⁴⁸ In holding that both region and brand could exist without confusion, the court relied heavily on the BATFE’s likelihood of confusion analysis.¹⁴⁹ The court also determined that certification of “Santa Rita Hills” was consistent with its prior AVA certifications so long as the concurrent uses were not identical to the registrant’s proposed name.¹⁵⁰

How parties classify their products can also affect the determination of the type of consumer that is relevant to the analysis.¹⁵¹ If a party purveys a luxury wine or famous brand, the court may entertain a sophisticated consumer standard.¹⁵² However, even when high-priced products are at issue, the possibility that the average consumer may purchase it, on occasion, weighs in favor of applying the average consumer standard.¹⁵³ Given the overwhelming number of applications of the average consumer standard and the weakness of descriptive marks, it is difficult to understand why consumers will not confuse SANTA RITA with “Santa Rita Hills” if the label says “imported.”¹⁵⁴ Yet consumers will confuse the domestic wine, BLACK CHICKEN, with the imported Australian wine, THE BLACK CHOOK.¹⁵⁵

In response, proponents of this highly fact-intensive analysis can point out that it is not a precise test and the determination depends on the totality of circumstances.¹⁵⁶ But while the facts will change depending on the circumstances, the issue of how to define the relevant consumer contains questions of law that do not vary depending upon the facts.¹⁵⁷

One example of a clash requiring the BATFE to conduct a consumer confusion analysis occurred when it registered an AVA as “Diamond Mountain District” because the brand name DIAMOND MOUNTAIN was already in use.¹⁵⁸ Similarly, because of the brand name SPRING MOUNTAIN, the AVA was registered as “Spring

¹⁴⁸ *Id.* at 11–12.

¹⁴⁹ *Id.* at 12–13.

¹⁵⁰ *Sociedad Anonima Vina Santa Rita*, 193 F. Supp. 2d at 23.

¹⁵¹ *Miguel Torres, S.A. v. Bodegas Muga S.A.*, 2005 TTAB LEXIS 243, at *7–10 (T.T.A.B. 2005) (entertaining the notion that there could be a sophisticated consumer standard but for the fact that both parties classified their goods simply as wine). The TTAB in *Miguel Torres* held that confusion was not likely between TORRES and MUGGA TORRE, two wines from Spain (both are from the region of Rioja, though the court did not mention this fact), despite similar trade channels and a non-discerning consumer. *Id.* at *27–29.

¹⁵² *Roederer v. J. Garcia Carrion, S.A.*, 732 F. Supp. 2d 836, 877 (D. Minn. 2010).

¹⁵³ *Id.*; see also *Stark v. Diageo Chateau & Estate Wines Co.*, No. 12-CV-4385 YGR, 2012 U.S. Dist. LEXIS 157794, at *54 n.16 (N.D. Cal. Nov. 1, 2012) (holding that evidence of two classes of consumers was not relevant to the discussion of likelihood of confusion despite the substantial difference in price between the two wines).

¹⁵⁴ *Sociedad Anonima Vina Santa Rita v. U.S. Dep’t of the Treasury*, 193 F. Supp. 2d 6, 12–13 (D.D.C. 2001).

¹⁵⁵ *Vigneron Partners, LLC v. Woop Woop Wines Pty Ltd*, No. C 06-00527 JF, 2006 U.S. Dist. LEXIS 28407, at *26, 33–34 (N.D. Cal. May 5, 2006).

¹⁵⁶ *Roederer*, 732 F. Supp. 2d at 864.

¹⁵⁷ David S. Welkowitz, *Who Should Decide? Judges and Juries in Trademark Dilution Actions*, 63 MERCER L. REV. 429, 471–72 (2012) (discussing the need for a legal determination of how to define a famous mark for consistent application of trademark principles to the facts irrespective of whether a jury or a judge acts as the finder of fact).

¹⁵⁸ *Sociedad Anonima Vina Santa Rita*, 193 F. Supp. 2d at 23; see also 27 C.F.R. § 9.166 (2012) (asserting “Diamond Mountain District” is a registered AVA in Napa County).

Mountain District” despite evidence that the area was locally and famously known as “Spring Mountain.”¹⁵⁹ The foregoing examples indicate that courts are aware that labels with regional distinctions will reduce the likelihood of consumer confusion.¹⁶⁰ Yet, some courts continue to find confusion despite distinguishing information such as the word “imported.”¹⁶¹

One possible reason for courts’ willingness to find consumer confusion despite regional distinguishing factors is the second label explanation.¹⁶² Roederer, the producer of CRISTAL, began manufacturing a cheaper sparkling wine in Anderson Valley, California in 1981.¹⁶³ Because Roederer produces this more affordable sparkling wine in another region, the court entertained the notion that consumers would think CRISTALINO (an \$8 Spanish sparkling wine) was CRISTAL’s sparkling wine from Spain.¹⁶⁴

Another possible explanation is that the consumers relevant in determining whether a mark is famous are the consumers throughout the United States and not just the consumers in the niche market.¹⁶⁵ Nonetheless, without more clearly defined principles to guide the application of the consumer confusion standard, both domestic and foreign producers seeking to protect the integrity of their GIs face considerable uphill battles.

III. PROPOSAL

To accommodate concerns of foreign and domestic wine producers that the integrity of their region depends upon the whims of consumers, courts should apply a uniform presumption that the wine consumer is non-discerning to wine-related

¹⁵⁹ *Sociedad Anonima Vina Santa Rita*, 193 F. Supp. 2d at 23. The AVA is now called “Spring Mountain District.” 27 C.F.R. § 9.143 (2012).

¹⁶⁰ *See Roederer*, 732 F. Supp. 2d at 871, 877–78 (D. Minn. 2010).

¹⁶¹ 27 C.F.R. § 4.35(b) (2012) (requiring all imported wines to include the information that they are imported); *Vignerons Partners, LLC v. Woop Woop Wines Pty Ltd*, No. C 06-00527 JF, 2006 U.S. Dist. LEXIS 28407 at *33–34 (N.D. Cal. May 5, 2006); *see also Nova Wines, Inc. v. Adler Fels Winery LLC*, 467 F. Supp. 2d 965, 981–82 (N.D. Cal. 2006) (finding that consumers distinguish wines based on the distinctiveness of the labels’ artwork and not the source-identifying information).

¹⁶² *See Roederer*, 732 F. Supp. 2d at 862, 871 (evaluating evidence that consumers frequently thought CRISTALINO was the second wine or cheaper version of CRISTAL in light of wine makers’ trends toward making more affordable wines from different GIs under the same brand name available in commerce).

¹⁶³ *See id.* at 844.

¹⁶⁴ *Id.* at 862.

¹⁶⁵ 15 U.S.C. § 1125(c) (2012). *Compare* *Advantage Rent-A-Car, Inc. v. Enterprise Rent-A-Car, Co.*, 238 F.3d 378, 380 (5th Cir. 2001) (holding that Enterprise need only show that its mark was famous within the car renting market), *with Roederer*, 732 F. Supp. 2d at 879 (stating that a mark that is only famous in a “niche” market is insufficient to qualify as a famous mark for purposes of proving trademark dilution), *and Xuan-Thao Nguyen, Fame Law: Requiring Proof of National Fame in Trademark Law*, 33 CARDOZO L. REV. 89, 99–100 (2011) (highlighting the distinction between the older enterprise standard of the consumer relevant to defining a famous mark and the new approach since the modification to the statute in 2006).

certification marks.¹⁶⁶ Although this proposal may provide some additional protection for GIs, critics will point out that it is insufficient in light of recent TTAB and WTO decisions.¹⁶⁷ Critics at the other end of the spectrum will argue that such an expansion of trademark protection, although small, is a substantive extension of the already overbroad Lanham Act.¹⁶⁸

A. *The Relevant Consumer is Non-Discerning*

The courts should implement a uniform non-discerning consumer standard to certification marks relating to wine. This will accommodate the trend among the major domestic wine-producing regions towards increasing protection for their AVAs and the additional protections for wines in TRIPS.¹⁶⁹ As the prevalence of “second wines” increases, the distinction between the wine producer and the GI will continue to blur for the average consumer.¹⁷⁰ Thus, there should be a presumption that the average wine consumer is non-discerning, and the presumption should be rebuttable by a preponderance of the evidence.¹⁷¹ The presumption would allow courts to recognize the complexities involved in distinguishing the source of the goods from the GI—it recognizes that the average wine consumer does not consider them.¹⁷² Furthermore, the non-discerning consumer presumption avoids issues that might result from substantive IP laws, such as further extension of TRIPS.¹⁷³

If courts adhere to this standard more vigilantly, then they would not have to require consumers to understand the complexities behind the issuance of a certification mark before making the determination that it is distinctive.¹⁷⁴ As a

¹⁶⁶ See *E. & J. Gallo Winery v. Cantine Rallo, S.P.A.*, 430 F. Supp. 2d 1064, 1093 (E.D. Cal. 2005) (The court declined to apply a discerning-consumer standard because the defendant failed to provide evidence in support of its contention.).

¹⁶⁷ ROBERTSON, *supra* note 9, at 158.

¹⁶⁸ Katja Weckström, *The Lawfulness of Criticizing Big Business: Comparing Approaches to the Balancing of Societal Interests Behind Trademark Protection*, 11 LEWIS & CLARK L. REV. 671, 696 (2007).

¹⁶⁹ CAL. BUS. & PROF. CODE § 25241 (2012); OR. ADMIN. R. 845-010-0920 (2011); WASH. REV. CODE § 66.28.110(2)(a) (2013); TRIPS, *supra* note 22, at art. 23.

¹⁷⁰ *Roederer v. J. Garcia Carrion, S.A.*, 732 F. Supp. 2d 836, 871 (D. Minn. 2010). The Internet will continue to reduce the significance of the vendors' locations, resulting in an increasing need for uniform standards for GIs. Molly Torsen, *Apples and Oranges (and Wine): Why the International Conversation Regarding Geographic Indications is at a Standstill*, 87 J. PAT. & TRADEMARK OFF. SOC'Y 31, 55 (2005). The notion that the national origin of the producer indicates the source of the grapes is further blurred by the common practice of sourcing grapes from one country and selling them in another. See *Freixenet, S.A. v. Admiral Wine & Liquor Co.*, 731 F.2d 148, 149, 151 (3d Cir. 1984) (discussing the possibility of consumers' inability to identify the source of the goods and the likelihood of consumer confusion when an American company sold bulk Spanish sparkling wine in the United States).

¹⁷¹ See *E. & J. Gallo Winery*, 430 F. Supp. 2d at 1093. The evidentiary standard applied to cancellation of trademarks is a preponderance of the evidence. *Midwest Plastic Fabricators, Inc. v. Underwriters Labs, Inc.*, 906 F.2d 1568, 1572 (Fed. Cir. 1990).

¹⁷² Thurmon, *supra* note 41, at 20.

¹⁷³ *Id.* at 21.

¹⁷⁴ Compare Brody, *supra* note 66, at 921–22 (discussing the application of the distinctiveness analysis to GIs as requiring that the relevant public be able to identify the GI as the source), *with*

result, courts could weigh the strength of the certification mark against traditional trademarks without treating them as less distinctive.¹⁷⁵ Certification marks may obtain common law protection as distinctive if the non-discerning consumer can recognize the mark as a signifier of regional authenticity.¹⁷⁶ Therefore, the presumption of a lower degree of consumer care would also protect non-registered marks from being disadvantaged in the distinctiveness analysis as geographically descriptive marks.¹⁷⁷

B. Likely Criticisms from Proponents of the EU View

The proponents of intellectual property rights for GIs will find this solution inadequate because the integrity of the region still depends on the whims of consumers.¹⁷⁸ They will point to decisions such as *Comite Interprofessionel du Vin de Champagne v. Jehonadav*, in which the TTAB declined to recognize CHAMPAGNE as a common law certification mark, as evidence that such protection is purely formal because it lacks enforcement.¹⁷⁹ The TTAB was able to avoid holding that CHAMPAGNE is a valid certification mark despite finding that the relevant consumer was non-discerning.¹⁸⁰

The TTAB was able to reach alternate conclusions in *Jehonadav* and *Tea Board of India* despite using the same standard for consumer care.¹⁸¹ In *Tea Board of India*, the TTAB left the door open for GIs to acquire inherent distinctiveness as certification marks as long as they were not generic.¹⁸² However, in *Jehonadav*, the

Comite Interprofessionel du Vin de Champagne v. Jehonadav, No. 91195709, 2013 TTAB LEXIS 80, at *7–8 (T.T.A.B. 2013) (holding that the exclusive control required for a valid certification mark may be hindered by the presence of multiple famous marks in the GI if they contribute to the consumer's perception of the quality of the product from the region).

¹⁷⁵ See *Jehonadav*, 2013 TTAB LEXIS 80, at *9–10 (proceeding with the likelihood of confusion analysis between CHAMPAGNE and CHAMPARTY as though the complainant held a valid certification mark in CHAMPAGNE). In *Jehonadav*, the court declined to hold that the plaintiffs held a valid certification mark in CHAMPAGNE, but nonetheless dismissed their complaint on the merits of the infringement claim due to lack of consumer confusion between the two marks. *Id.* at *9, *14–18.

¹⁷⁶ *Tea Bd. of India v. Republic of Tea, Inc.*, 80 U.S.P.Q.2d 1881, 1899 (T.T.A.B. 2006); Brody, *supra* note 66, at 921.

¹⁷⁷ *Tea Bd. of India*, 80 U.S.P.Q.2d at 1899.

¹⁷⁸ Torsen, *supra* note 171, at 61.

¹⁷⁹ *Jehonadav*, 2013 TTAB LEXIS 80, at *8. The court questioned whether exclusive control was possible when the individual brands in CHAMPAGNE expend substantial resources promoting their individual quality. *Id.* at *6–7. The fact that the famous producers of CHAMPAGNE expend these resources could, according to the TTAB, indicate they are responsible for the integrity of the region in the eyes of the public. *Id.* at *15–16.

¹⁸⁰ *Id.* at *9–10, 15.

¹⁸¹ Compare *id.* at *8 (assuming for the sake of argument that the applicant did have the requisite control over the CHAMPAGNE mark but still holding that CHAMPARTY could exist concomitantly without confusing even the casual drinker of sparkling wine), with *Tea Bd. of India*, 80 U.S.P.Q.2d at 1886, 1901 (finding that there was a likelihood of confusion between the GI DARJEELING and the brand DARJEELING NOUVEAU despite multiple instances of failure to control non-certified uses).

¹⁸² Brody, *supra* note 66, at 924.

TTAB required more than an awareness of CHAMPAGNE as a region and actually counted the fame of the region's brands against the plaintiff's attempt to gain protection for CHAMPAGNE as a certification mark.¹⁸³ Therefore, such a small change in the approach to the consumer confusion analysis will be insufficient for advocates of intellectual property rights for GIs.¹⁸⁴ GIs face an increased threat of genericide due to the temptation to use them as descriptors.¹⁸⁵ In order to combat the increased threat, courts need to reduce their emphasis on the consumer's awareness rather than merely alter the consumer they focus on.¹⁸⁶

Because the EU's position insists on the primacy of GIs over possible pre-existing brands, merely adjusting consumer confusion standards will not be sufficient.¹⁸⁷ As a result, the EU will likely continue to advocate taking back the GIs such as CHAMPAGNE from producers such as KORBEL CALIFORNIA CHAMPAGNE.¹⁸⁸ Therefore, the TTAB's continued refusal to rule on whether CHAMPAGNE is protectable as a certification mark represents a cork in the ongoing debate as to whether certification marks and current consumer confusion standards will prove sufficient to protect the interests of EU winemakers.¹⁸⁹

C. Likely Criticisms from Opponents Who Argue The Lanham Act Is Too Substantive As It Is

Critics of substantive protection for GIs can point out that emigrants to the United States and Australia, among others, have been using generic or semi-generic GIs for generations.¹⁹⁰ These emigrants wish to continue using the marks, and preventing them from doing so arbitrarily favors place of origin over cultivated brands.¹⁹¹ Therefore, standardizing the consumer does not fix the fundamental flaw that protection for GIs creates a substantive right to exclude these producers from using the GI on their label.¹⁹²

The right to exclude is itself a substantive limit on free trade because a trademark is not a public good.¹⁹³ Therefore, the trend toward expansion of

¹⁸³ *Jehonadav*, 2013 TTAB LEXIS 80, at *15.

¹⁸⁴ Torsen, *supra* note 171, at 52.

¹⁸⁵ Latha R. Nair, *Swiss Watch International, Inc. v. Federation of the Swiss Watch Industry: The TTAB's Unwitting Message for Geographical Indications?*, 102 TRADEMARK REP. 944, 954 (2012).

¹⁸⁶ *Id.*

¹⁸⁷ ROBERTSON, *supra* note 9, at 158. The author analyzed the EU's position against the use of CHAMPAGNE, "Burgundy" and "Chablis" on wine not originating from the region. *Id.* She considered the EU's position in light of the WTO's ruling that the appellation of origin "Budweiser Bürgerbrau" for beer can coexist with BUDWEISER beer despite potential consumer confusion. *Id.*

¹⁸⁸ ROBERTSON, *supra* note 9, at 163.

¹⁸⁹ *Comite Interprofessionel du Vin de Champagne v. Jehonadav*, No. 91195709, 2013 TTAB LEXIS 80, at *7 (T.T.A.B. 2013).

¹⁹⁰ Malobika Banerji, *Geographical Indications: Which Way Should Asean Go?*, 2012 B.C. INTELL. PROP. & TECH. F. 1, 8 (2012).

¹⁹¹ *Id.*

¹⁹² *Id.* at 3.

¹⁹³ *Compare Weckström*, *supra* note 168, at 696 (distinguishing patent and copyright regulation from trademark law because the former are primarily public goods but the latter is not), *with David*

protection for trademarks beyond current consumer confusion standards creates dead weight in the form of market inefficiency.¹⁹⁴ As a result, before substantively expanding the Act, Congress should balance the benefits of an expansion of trademark law against the harms of limiting public access and creating market inefficiency.¹⁹⁵

The right to exclude produces harm by creating a potential monopoly.¹⁹⁶ It could also harm the wine maker who wishes to go beyond the minimum AVA quality requirements.¹⁹⁷ The producer seeking to create a higher quality wine would be targeting his or her wine at a more discerning consumer.¹⁹⁸ The presumption would hinder winemakers by requiring them to cater to a less discerning consumer to avoid confusion.¹⁹⁹ It would also burden winemakers by requiring them to choose between not associating with the integrity of the region, or producing substantial evidence that their target consumer will be more discerning.²⁰⁰

CONCLUSION

Navigating around clashes between traditional trademark law, certification marks, and GIs will be difficult in light of contrasting views on fundamental policies. Certification marks represent the possibility of a compromise that is consistent with TRIPS. However, inconsistent application of consumer confusion standards and recent TTAB decisions indicate a reluctance on the part of U.S. courts to adapt to global trends. A non-discerning consumer standard for wine-related certification

W. Barnes, *A New Economics of Trademarks*, 5 NW. J. TECH. & INTELL. PROP. 22, 35 (2006) (arguing that trademarks are in part a form of public good and that the market failures created by regulating access to them is similar to that created by patent and copyright regulations).

¹⁹⁴ Weckström, *supra* note 168, at 695–96.

¹⁹⁵ *Id.*

¹⁹⁶ *Compare* State of Idaho Potato Comm’n v. G & T Terminal Packaging, Inc., 425 F.3d 708, 715 (9th Cir. 2005) (noting that trademarks create monopolies where certification marks do not, because certification marks are licensed by someone other than the owner), *with* Edmund W. Kitch, *Elementary and Persistent Errors in the Economic Analysis of Intellectual Property*, 53 VAND. L. REV. 1727, 1736 (2000) (arguing that calling trademark rights monopolies is an oversimplification of the word and that they might simply be property rights).

¹⁹⁷ *Compare* 27 C.F.R. § 4.26(a) (2012) (A wine producer may choose to label their wine as “estate bottled” to signify additional requirements such as 100% of the grapes rather than 85% come from a designated area.), *and* ROBERTSON, *supra* note 9, at 139 (“Estate bottled” wine is considered to be higher quality for many reasons—the grapes are vinified in the same place as they are grown and as such, are not harmed in transportation, and they may also express the *terroir* of that location), *with* Ian Ayres & Jennifer G. Brown, *Mark(et)ing Nondiscrimination: Privatizing Enda with A Certification Mark*, 104 MICH. L. REV. 1639, 1662 (2006) (discussing the repercussions on the integrity of a certification mark in the eyes of consumers when licensees create their own identity independently of the mark in the employment context).

¹⁹⁸ *See* Round Hill Cellars v. Lolonis Winery, No. C-11-00757 JSW EDL, 2011 WL 6961333, at *4 (N.D. Cal. Dec. 9, 2011) (noting that consumers of Lodi Zinfandel may be more discerning than average wine impulse buyers).

¹⁹⁹ *See* ROBERTSON, *supra* note 9, at 143.

²⁰⁰ *Id.* at 142 (discussing the consequences of strongly delineated AVAs on trademark law such as increased consumer confusion and concerns that new producers may be unwelcome in the eyes of established brands from the same region).

marks could raise protection for wine GIs. However, it remains to be seen whether such reform is sufficient to genuinely protect producers who depend on the integrity of the region, rather than flair on their label, to instill a sense of quality.