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THE LONG ROAD TO RESOLVING CONFLICTS BETWEEN TRADEMARKS AND GEOGRAPHICAL INDICATIONS*

By Burkhart Goebel** and Manuela Groeschi***

I. INTRODUCTION

The conflict between trademarks and geographical indications (GIs) has been a prominent, if not the most prominent, topic in the legislative, forensic, and academic debate on geographical indications during the last twenty-five years.¹ Unsurprisingly, it evolved largely parallel to the rise of protection systems for geographical indications. The debate has been intense and often emotional. For the proponents of protecting geographical indications, the mere possibility of a trademark protected in one part of the world being identical or similar to a geographical indication protected in another part of the world amounted to an onslaught on the cultural heritage of the user of the geographical indication, which would, in their view, undoubtedly deserve universal protection. For trademark owners, the hypothesis that a prior trademark could be deprived of its exclusivity or—worse—be

¹ The issue of the Trademark Reporter, 829 (2006).
completely expropriated on the basis of a geographical indication existing in another part of the world was seen as nothing but a blunt confiscation of valuable private property and an equally despicable onslaught on one of the major achievements of the French revolution, namely the protection of private property against arbitrary confiscation by the state.2

Beneath the politically charged debate over public versus private property, cultural heritage versus entrepreneurial achievements, etc., there was a profoundly legal debate. Trademarks and geographical indications could certainly be in conflict with each other. They are both signs that designate the origin of a product—in one case the geographical origin of a product and in the other case the commercial origin of a product. Any given word could theoretically serve both functions. Capri is an island in Italy, and CAPRI was the protected trademark of a Ford car in the 1970s. “Sapporo” is not only the name of a city in Japan but was also adopted as the company name and then the brand of a local brewery that developed into a big international brewery and protected “Sapporo” as a trademark for the beer it brewed and not as an indication for beer from Sapporo around the world. Quite often entrepreneurs used the names of the places where their companies came from in their brands or as their brands. Other roots for conflicts between trademarks and geographical indications were laid by emigration; emigrants would give their places of residence, their businesses, or their products in their new homeland the same names that they had called them back home. Additional conflicts arise from the fact that names simply sometimes coincide. This is true for names of human beings, names of places, and names of brands. And sometimes, of course, the same name occurs because brands or geographical indications are used to trade off one another. A profoundly legal debate emerged concerning the mechanism by which these conflicts should be resolved. Which conflict rules should be applied? Should the established—and indeed almost universal—rules existing under trademark laws built on the principles of priority, exclusivity, and territoriality be applied, or should there be special rules for conflicts between trademarks and geographical indications deriving from sui generis laws on the protection of the latter?

In our opinion—after numerous national court decisions and, in particular, two milestone decisions under public international law—fairly clear guiding principles for resolving conflicts between trademarks and geographical indication have emerged, in particular over the last decade. The following article will discuss how these rules emerged and what they are. The focus will be on

2. See L. Bergeron, Biens nationaux, in Dictionnaire critique de la Révolution française (Flammarion F. Furet & M. Ozouf, eds., 1992) 77.
public international law and European Union (EU) law. It will conclude with a discussion of current public international law initiatives and will identify a few still unresolved issues.

II. SETTING THE SCENE

The principles of resolution of conflict between a trademark and an identical or similar sign used to designate identical or similar goods or services are based on three widely accepted and rather straightforward principles: priority, exclusivity, and territoriality. When a conflict arises, the prior right will prevail. It

3. Anheuser-Busch Inc. v. Budĕjovický Budvar, Case C-245/02 para. 98, [2004] ECR I-10989, [2005] ETMR 27 ("Finally, ‘priority’ of the right in question for the purposes of the third sentence of Article 16(1) of the TRIPs Agreement means that the basis for the right concerned must have arisen at a time prior to the grant of the trade mark with which it is alleged to conflict. As the Advocate General pointed out in point 95 of his Opinion, that requirement is an expression of the principle of the primacy of the prior exclusive right, which is one of the basic principles of trade-mark law and, more generally, of all industrial-property law.").

4. See, e.g., Article 6quinquies(B)(i) of the Paris Convention ("Trademarks covered by this Article may be neither denied registration nor invalidated except in the following cases: (i) when they are of such a nature as to infringe rights acquired by third parties in the country where protection is claimed."); and Article 9 of the Community Trademark Regulation (Council Regulation (EC) No. 207/2009 of February 26, 2009 [2009] OJ L 78/42) ("A Community trade mark shall confer on the proprietor exclusive rights therein.").

In the World Trademark Organization (WTO) Panel Report European Communities—Protection of trademarks and geographical indications for agricultural products and foodstuffs ("Panel Report"), complaint by the United States, WT/DS174/R (Mar. 15, 2005), paras. 7.602 et seq, it is held on exclusivity of trademark rights:

The text of Article 16.1 [TRIPS] stipulates that the right for which it provides is an “exclusive “ right. This must signify more than the fact that it is a right to “exclude” others, since that notion is already captured in the use of the word “prevent”. Rather, it indicates that this right belongs to the owner of the registered trademark alone, who may exercise it to prevent certain uses by “all third parties” not having the owner's consent. The last sentence provides for an exception to that right, which is that it shall not prejudice any existing prior rights. Otherwise, the text of Article 16.1 is unqualified.

Other exceptions to the right under Article 16.1 are provided for in Article 17 and possibly elsewhere in the TRIPS Agreement. However, there is no implied limitation vis-à-vis GIs in the text of Article 16.1 on the exclusive right which Members must make available to the owner of a registered trademark. That right may be exercised against a third party not having the owner's consent on the same terms, whether or not the third party uses the sign in accordance with GI protection, subject to any applicable exception.

See also Panel Report, complaint by Australia, WT/D290/R (Mar. 15, 2005), 7.602 et seq.

For a discussion of exclusivity with a focus on geographical indications, see Gangjee, supra note 1, 1252-1261.

5. Koninklijke Philips Electronics NV v. Lucheng Meijing Industrial Company Ltd and Others and Nokia Corporation v. Her Majesty's Commissioners of Revenue and Customs, Joined Cases C-446/09 and C-495/09, Opinion of Advocate General Cruz Villalón, delivered on February 3, 2011 ("Furthermore, it is to be borne in mind that protection of intellectual property rights is based on the principle of territoriality. By virtue of that principle, holders may prohibit the unauthorised use of their right only in those States in which it enjoys protection.").
will enjoy exclusivity for the territory in which it is protected with the better priority. As there are millions of trademarks protected around the globe, it is not surprising that courts in almost every country have relevant experience with judging trademark cases and can rely on a well-established body of case law built on these three basic principles. The three principles of priority, exclusivity, and territoriality are subject to a number of qualifications immanent in trademark law. These principles are the point of departure, not the end of the journey, as every trademark practitioner will appreciate. Exceptions to a simple registration priority rule are made on the basis of prior use rules, novelty rules, or bad faith concepts. Bad faith or lack of novelty is also a concept that helps mitigate adverse effects of a too-strict territoriality rule. Finally, even exclusivity is subject to a number of exceptions such as fair descriptive use, use of one’s own name or address, and others.6 This does not change the basic rule of priority, exclusivity, and territoriality.

The setting is somewhat different for geographical indications. To begin with, there is a wealth of protection systems ranging from unfair competition over collective and certification marks to sui generis systems that are protected either under national laws, regional laws, bilateral agreements, or multilateral agreements.7

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   Article 6 TMD and Article 12 CTMR provide for three exceptions to the exclusive rights of trade mark proprietors: use of one’s own name or address (lit. a), descriptive use (lit. b), indication of intended purpose of product (lit. c). […]

   Indications of product characteristics may also be used in a trade mark sense; e.g., an indication of geographical origin was allowed even though it had the same appearance as a trade mark (Case C-100/02 – Gerolsteiner/Putsch (“Gerri”/“KERRY Springs”). The provision is primarily designed to prevent a proprietor from prohibiting third parties from using descriptive terms which are within the scope of the mark, i.e. because they are similar to the mark or are the same as elements of a composite mark that are themselves descriptive. It may also authorise a third party to use a trade mark if such use consists in giving an indication concerning the kind, quality or other characteristics of products marketed by that third party (Case C-48/05, Opel/Autec, para 42, 43). […]

The Panel Report, supra note 4, complaint by the United States, para. 7.647, elaborates on Article 17 of the TRIPS Agreement with regard to limitations of the exclusive right provided for in Article 16.1 of the TRIPS Agreement:

   Article 17 expressly permits Members to provide limited exceptions to the rights conferred by a trademark, which include the right provided for in Article 16.1 of the TRIPS Agreement. The Panel has already found that the Regulation limits the availability of the right provided for in Article 16.1. Therefore, to the extent that it satisfies the conditions in Article 17, this limitation will be permitted under the TRIPS Agreement.

7. WIPO, Addendum to Document SCT/6/3 Rev. (Geographical Indications: Historical Background, Nature of Rights, Existing Systems for Protection and Obtaining Protection in
These protection systems may cover a wide range of types of geographical indications, from simple geographical indications to qualified geographical indications and appellations of origin. For the purpose of this article we shall ignore unfair competition law protection or protection of geographical indications through the trademark law system (certification or collective marks). By and large, conflict rules coincide with those under trademark laws. This is different for sui generis protection systems, which are typically modelled after the ancestor of all sui generis systems—the French laws for the protection of appellations of origin. Under these regimes there is often a perception that a geographical indication is an expression of a regional or national cultural heritage and a common good that is somehow superior to the individual private property right contained in a brand protected through a registered trademark. This could have the effect that a prior trademark could be invalidated (expropriated) on a basis of an appellation of origin protected with a younger priority or could at least no longer be renewed once an identical or similar designation had been protected as a geographical indication.8

A case in point is the (in)famous provision of Article 5(6) of the Lisbon Agreement, which reads as follows:

If an appellation which has been granted protection in a given country pursuant to notification of its international registration has already been used by third parties in that country from a date prior to such notification, the competent Authority of the said country shall have the right to grant to such third parties a period not exceeding two years to terminate such use, on condition that it advise the International Bureau accordingly during the three months following the expiration of the period of one year provided for in paragraph (3), above.

This provision had been interpreted as requiring the phaseout of conflicting trademarks after a two-year grace period irrespective of whether this trademark registration enjoyed a better priority.9 Conceptually, this rule implies that a geographical indication is somehow superior to a trademark. This assumption was so

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8. The system of protection of geographical indications in France is described in Norbert Olszak, Droit des appellations d’origine et indications de provenance (Tec & Doc – Lavoisier 2001). For a short summary of the French system, see Hughes, supra note 1, 306-308.

9. See Ludwig Baeumer, Protection of geographical indications under WIPO treaties and questions concerning the relationship between those treaties and the TRIPS Agreement in WIPO, Symposium on the protection of geographical indications in the worldwide context (WIPO 1999) 9, at paras. 37, 55 et seq.
widespread in Europe that the rule was proposed as a European Communities (EC)–wide rule in a draft of EC Regulation 2081/92.\textsuperscript{10} That proposal was changed only at a very late stage upon intervention of the Council. It was replaced by then Articles 14(3) and 14(2), which gave exclusivity to prior well-known marks and provided for coexistence between a (at the time not clearly defined) group of other marks that were prior, but not well-known in Europe with a later geographical indication.\textsuperscript{11} A prior geographical indication would always serve to block a later trademark according to Articles 14(1) and 13 of the Regulation, which appeared to be a watered-down emanation of the superiority concept. That concept had made it into Community law already in its more absolute form under the former EC Wine Regulation. Until 2008, this Regulation provided that the prior mark conflicting with a later geographical indication for wine had to be invalidated unless it had been registered for more than twenty-five years.\textsuperscript{12} This rule was also adopted in some bilateral agreements such as the agreement between Australia and the EC on the trade of wine, which led to the phaseout of a number of prior marks used for wines and spirits in Australia.\textsuperscript{13}

The real conflict between trademarks and geographical indications was, therefore, the conflict of two conflict resolution mechanisms. The issue was which one would prevail: The trademark rules firmly built on priority, exclusivity, and

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  Moreover, the holder of a well-known registered brand name for a wine or grape must which contains wording that is identical to the name of a specified region or the name of a geographical unit smaller than a specified region may, even if he is not entitled to use such a name pursuant to point 1, continue to use that brand name where it corresponds to the identity of its original holder or of the original provider of the name, provided that the brand name was registered at least 25 years before the official recognition of the geographical name in question by the producer Member State in accordance with the relevant Community provisions as regards quality wines psr and that the brand name has actually been used without interruption.

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territoriality or the sui generis rules built on the assumption that the “common good” geographical indication was somehow superior to the private property right trademark and could therefore destroy its existence, or at least its exclusivity, irrespective of priority and territoriality.

The debate was completely open in the early 1990s when the major players of the world negotiated the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement), which was the prime opportunity to agree on a conflict resolution mechanism. Some negotiators may not have fully appreciated the significant conceptual differences that existed on this issue. Others may have appreciated them and may have preferred not to force the negotiators to come up with a clear solution and again others may simply have thought that they had successfully negotiated their conflict resolution mechanism into the TRIPS Agreement. Whatever the thinking of the trade negotiators was, the outcome in the TRIPS Agreement was certainly not clear enough to provide a straightforward answer to the question of how a conflict between trademarks and geographical indications should be resolved. What followed was more than a decade of uncertainty, debate, and extended litigation. All of this had clarified the conflict rules.

Today we can say that there are no special rules when it comes to the conflict between a prior trademark and a geographical indication as compared with the conflict between a prior trademark and another sign. The “superiority”-based rule has not become the conflict resolution mechanism at global level. To the contrary, conflicts are resolved on a basis of priority, exclusivity, and territoriality; this is mostly a result of two milestone decisions: the World Trade Organization (WTO) Panel decision in *European Communities—Protection of trademarks and geographical indications for agricultural products and foodstuffs* and the judgment of the Grand Chamber of the European Court of Human Rights in *Anheuser-Busch v. Portugal*. These two decisions so fully endorse the exclusivity (endorsed by the WTO Panel Report *European Communities – Protection of trademarks and geographical indications for agricultural products and foodstuffs* (“Panel Report”) and the priority (endorsed by the European Court of Human Rights (ECHR) judgment) principles that they leave virtually no room for a superiority-based sui generis conflict resolution mechanism.
III. TWO DECISIVE MILESTONES:
THE WTO PANEL REPORT AND
THE JUDGMENT OF THE GRAND CHAMBER
OF THE EUROPEAN COURT OF HUMAN RIGHTS

A. The First Milestone: The WTO Panel Report

The relationship between geographical indications and trademarks was at the core of a widely acclaimed WTO Dispute Settlement decision on GI legislation in Europe. On March 15, 2005, the WTO published a Panel Report on the dispute between the United States and Australia, on the one hand, and the EC, on the other hand, over the compatibility of various aspects of Regulation No. 2081/92 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs with the TRIPS Agreement and General Agreement on Tariffs and Trade (GATT 1994). The decision was not appealed as both sides claimed victory of their case. The Panel Report was eventually adopted by the WTO Dispute Settlement Body on April 20, 2005. The Panel Report is the fundamental decision holding that the conflict between a prior trademark and a later geographical indication be resolved on the basis of the conflict rules established under trademark law with exclusivity and priority being the main applicable principles. It thereby effectively shut the door to a “superior right” approach among the Members of the WTO (“Members” or “Member States”).

With their claim, Australia and the United States, inter alia, contested the legality of Article 14(2) of Regulation No. 2081/92. According to the pre-WTO dispute settlement proceedings interpretation given to this provision by the EC, it provided for a broad rule of coexistence between a prior trademark and a later geographical indication that was confusingly similar to that prior mark. According to the European Communities, a conflict between a trademark and a geographical indication would generally be resolved in favor of the geographical indication pursuant to Article 14(1) and 13 of the Regulation. Where the trademark had the better priority it might, however, continue to be used provided that the trademark was registered in good faith before the date on which application for registration of a geographical indication was lodged and there were no grounds for invalidity or revocation of the trademark as provided for by Article 3(1)(c) and (g) and Article 12(2)(b) of the EU Trademark Directive, respectively. Only under
very exceptional circumstances—basically the prior mark’s being well-known—would the trademark prevail over the geographical indication. These rules are—at least prima facie—an expression of a sui generis approach and not an endorsement of trademark law conflict rules.

The claim was raised as an “as such” claim. No specific adverse decisions based on Article 14(2) were challenged, but the legality of the EU GI regime was contested. Australia and the United States argued that Article 14(2) of the Regulation, which provides for coexistence between a prior trademark and a later geographical indication that is identical or confusingly similar, was in breach of Article 16.1 of the TRIPS Agreement in that it prejudiced the exclusivity of trademark rights warranted under that provision. The United States pleaded that by imposing coexistence upon the trademark owner rather than adhering to the priority principle, the trademark owner could no longer exercise “the exclusive right that lies at the heart of his trademark right.”

According to the United States, exclusivity was indispensable given the essential function of trademarks to identify the commercial source of a product, and exceptions to the exclusive nature of a trademark were allowed only where explicitly provided for in the TRIPS Agreement. There could not be a general exception for geographical indications from the exclusivity rule as, because of their nature as designations, these had to be considered conflicting signs under the meaning of Article 16.1.

The European Communities raised three defenses. It argued that under Article 24.5 of the TRIPS Agreement coexistence between the earlier trademark and the later geographical indication was actually mandatory. In any event, the Regulation had been grandfathered by Article 24.3 of the TRIPS Agreement pursuant to which the level of protection of geographical indications that existed in a Member State immediately prior to the date of entry into force of the TRIPS Agreement shall not be diminished. Finally, the European Communities pleaded that the coexistence provided for under the Regulation was so limited that it was justified under Article 17 of the TRIPS Agreement, which provides for a limited exception for fair use of descriptive terms.

Conceptual differences exist among the three lines of defense. The first two are sui generis defenses. The conflict between


17. Id. paras. 145 et seq.

18. Id. paras. 142 et seq.

19. Id. para. 139.

trademarks and geographical indications was to be resolved under a set of special rules in the chapter on geographical indications. The third line of defense, in contrast, moved the conflict resolution mechanism back to the world of trademark law, arguing that the provision of Article 14(2) of the Regulation was compatible with the limited exceptions that trademark law itself provided to the priority, exclusivity, and territoriality rule.

From the three defenses raised by the European Communities, the Panel found only the limited exception argument under Article 17 of the TRIPS Agreement to have some merit. The first defense—mandatory coexistence under Article 24.5—was rejected in its entirety. Article 24.5 of the TRIPS Agreement stipulates that the validity or the use of a prior trademark that was acquired in good faith may not be compromised by a measure of a Member applying the rules on the protection of geographical indications under the TRIPS Agreement. The EC concluded from the existence of this provision that it implicitly provided for a mandatory rule of coexistence between a prior trademark and a later geographical indication. The right to use would not be affected by coexistence, while the exclusivity of the prior mark would be. They further argued that Article 24.5 provided for an implicit exemption of the exclusive right to use a prior trademark guaranteed by Article 16.1. The Panel dismissed these arguments, finding that there was insufficient support to “imply in Article 24.5 either the right to prevent confusing uses or a limitation on the right to prevent confusing uses.”

The Panel considers that it is difficult to sustain an argument that a limitation which is allegedly implied can prevail over an obligation in a WTO covered agreement which is express. It is evidently the position under the European Communities’ domestic law that an implied positive right to use a registered geographical indication prevails over the negative right of a prior trademark holder to prevent confusing uses. However, such an interpretation of the TRIPS Agreement is not possible without a suitable basis in the text.

The Panel concluded from this that under Article 16.1 of the TRIPS Agreement WTO Member States were required to enable

21. Id. para. 7.619.
22. Id. para. 7.603.
23. Id. para. 7.618.
trademark owners to prevent certain third-party uses of conflicting signs, including uses of conflicting signs as geographical indications. The Panel also dismissed the EC’s defense that it had grandfathered its regime on geographical indications that predated the TRIPS Agreement as provided for in Article 24.3 of the TRIPS Agreement. The Panel held that the standstill provision of Article 24.3 may only apply to individual geographical indications, but does not protect an entire legal regime.24

The Panel then turned to an internal trademark law defense and considered whether Article 14(2) of Regulation No. 2081/92 could be considered a limited exception under Article 17 of the TRIPS Agreement. Article 17 provides for limited exceptions to the exclusive rights granted to the trademark owner under Article 16.1. As an example, Article 17 names fair descriptive use. For determining whether coexistence provided for under Article 14(2) of Regulation No. 2081/92 could be considered a limited exception under Article 17 of the TRIPS Agreement, the Panel had to establish the scope of Article 14(2). In their pleadings, the European Communities had construed Article 14(2) narrowly as the exception rather than the rule. They had explained that in most cases where there was likelihood of confusion between a prior trademark and a later geographical indication, the geographical indication could be refused under a broadly construed Article 14(3) of the Regulation, making the trademark’s prevailing over the geographical indication the rule. Article 14(3) of the Regulation stipulated that a prior trademark could give cause to the refusal of registration of a geographical indication where, in the light of that trademark’s reputation, renown, and the length of time it had been used, registration was liable to mislead the consumer as to the true identity of the product. The European Communities had stated in support of their defense:

The complainant’s claim is based on the unwarrantedly narrow interpretation of Article 14 (3) of Regulation 2081/92. When properly interpreted, that provision allows the registering authorities to refuse the registration of any confusing geographical indication.25

In other words, the European Communities deflated the scope of application of the coexistence rule provided for in Article 14(2) of the Regulation in order to squeeze the provision through the needle-eye of the narrow descriptive use exemption of Article 17 of the TRIPS Agreement. The Panel accepted this interpretation and was “satisfied that where the likelihood of confusion was relatively

24. Id. para. 7.513.
high, the exception in Article 14(2) will not apply.” In the Panel’s view, this constituted a limited exception under the TRIPS Agreement because coexistence would be at issue only where likelihood of confusion with a prior trademark was remote. The Panel noted that coexistence was limited to geographical indications subject to registration under Regulation No. 2081/92. It emphasized that coexistence could be invoked only for the indications as registered and that the coexistence rule under Article 14(2) could not justify a trademark infringing use of an alleged translation of the registered geographical indication.

The Panel thus affirmed the application of the general rules of conflict—priority, exclusivity, and territoriality—in situations of conflict between trademarks and geographical indications. It did not endorse any special regime for the conflict between trademarks and geographical indications, giving full consideration to the priority and exclusivity guarantees of Article 16.1 of the TRIPS Agreement. On the other hand, it found limited coexistence to be consistent with Article 17 of the TRIPS Agreement, provided that likelihood of confusion with the prior trademark was remote. So, while the Panel clearly shut the door to a “GIs are superior” rule, it recognized the existing trademark law qualifications of the priority and exclusivity rule. But where exceptions are possible, they are to be found in the trademark rules and not elsewhere.

**B. The Second Milestone: ECHR in Anheuser-Busch v. Portugal**

The second milestone, which is more limited in its geographical reach, but still important enough to deserve a mention directly after a discussion of the Panel Report, is the Anheuser-Busch v. Portugal decision of the Grand Chamber of the European Court of Human Rights (“ECHR”). This decision was of fundamental importance for firmly putting the priority principle on the European map. The geographical reach should not be underestimated either: It goes well beyond the European Union and covers all 45 Member States of the Protocol No. 1 to the European Convention on Human Rights (“Protocol No. 1”) under which the claim came.

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27. Id. para. 7.656.
28. Id. para. 7657; for a discussion of the case, see also Goebel, supra note 1, 95 TMR 1165, 1186-1193 (2005).
29. For an analysis, see also Gangjee, supra note 1, 1283 et seq.; Hughes, supra note 1, 327 et seq.
30. Protocol to the Convention for the Protection of Human Rights and Fundamental Freedoms, ETS No. 9 (Mar. 20, 1952). Member States to the Protocol are: Albania, Andorra, Armenia, Austria, Azerbaijan, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece,
The core finding of the judgment of the Grand Chamber of the ECHR for our context is that not only a trademark registration but also a trademark application enjoys the guarantees for the protection of possessions under Article 1 of Protocol No. 1. This is so because the application priority creates a vested right and makes the trademark application an object of private property rather than merely a hope to obtain a property right at some stage in the future. The background of the case was the following: With its complaint before the ECHR, Anheuser-Busch challenged a judgment of the Portuguese Supreme Court. The Portuguese Supreme Court had confirmed in its judgment the refusal of registration Anheuser-Busch’s trademark BUDWEISER on the ground that it conflicted with the geographical indications Českobudějovický pivo and Českobudějovický Budvar, which were protected under a bilateral agreement concluded between the Czech Republic and the Republic of Portugal. The Court held that the term “Budweiser” and the terms “Českobudějovický pivo” and “Českobudějovický Budvar” were neither similar nor could they be confused by the average consumer in Portugal, but that the word “Budweiser” could be understood as a German translation of the two terms. Given that the bilateral agreement protected geographical indications against use in translation, the Court decided to refuse the trademark. This gave rise to an expropriation issue: the trademark application predated the conclusion of the Bilateral Agreement by six years. This is why the interpretation of the priority principle was so important in this case.

As already mentioned the complaint to the ECHR was based on Article 1 of Protocol No. 1 to the European Convention on Human Rights. The provision reads:

Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law.

The preceding provisions shall not, however, in any way impair the right of a State to enforce such laws as it deems necessary to control the use of property in accordance with the general interest or to secure the payment of taxes or other contributions or penalties.

Explicit reference regarding intellectual property is not provided for in the Convention. However, the ECHR had previously held

Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Moldova, Montenegro, Netherlands, Norway, Poland, Portugal, Romania, Russia, San Marino, Serbia, Slovakia, Slovenia, Spain, Sweden, The former Yugoslav Republic of Macedonia, Turkey, Ukraine, United Kingdom. See http://conventions.coe.int/Treaty/Commun/ChercheSig.asp?NT=009&CM=8&DF=&CL=ENG.
that the concept of “possession” under the Convention had an autonomous meaning that was not confined to ownership of physical goods and was independent from the formal classification in domestic law. Therefore, rights and interests other than physical goods could also be regarded as “possessions” for the purpose of Article 1, provided that they constituted assets.31

In the first judgment that was rendered in Anheuser-Busch v. Portugal by the Second Section of the ECHR in 2005, while it was affirmed that registered trademarks amounted to “possessions,” the Second Section denied that the right to possession extended to trademark applications.32 The Section held that prior to registration, even though the applicant would own “an undeniable ownership interest” enjoying a “certain legal protection,” a trademark application lacked the “legitimate expectation” that it will actually materialize, which was necessary for constituting a “possession.”33 Anheuser-Busch appealed the case to the Grand Chamber. Contrary to the Second Section, the Grand Chamber endorsed the principle of trademark applications being protected as possessions. The Chamber found “that such applications may give rise to a variety of legal transactions, such as a sale or licence agreement for consideration, and possess—or are capable of possessing—substantial financial value.”34 It concluded that “these elements taken as a whole suggest that the applicant company’s legal position as an applicant for the registration of a trademark came within Article 1 of Protocol No 1, as it gave rise to interests of a proprietary nature.”35 The Grand Chamber thereby led the priority principle into the European Convention on Human Rights, providing it with a legal importance that could no longer be ignored in any European legislation. The complaint itself was eventually dismissed, as the Grand Chamber scrutinized the Portuguese judgment against only an “arbitrariness” test. Given that there were some doubts as to priority in light of conflicting appellations of origin for the term “Budweiser Beer” that existed at the time of the application for the trademark and had been cancelled later on but not yet when the bilateral agreement was


33. For an additional discussion of this decision, see Burkhart Goebel, Trade marks are “possessions”—but applications are not (yet), 1 J. Intell. Prop. L. & Prac. 240-242 (2006).

34. Anheuser-Busch, Inc. v. Portugal, Case No. 73049/01 (ECHR, Grand Chamber, Jan. 11, 2007), para. 76.

35. Id. para. 78.
concluded, the Grand Chamber did not consider the judgment of the Portuguese Supreme Court to be arbitrary.36

**IV. FURTHER DEVELOPMENTS ENDORSING PRIORITY, EXCLUSIVITY, AND TERRITORIALITY**

**A. Lisbon Agreement**

The changing international environment regarding the protection of geographical indications has not left the Lisbon Agreement untouched. The Lisbon Agreement is an international treaty administered by the World Intellectual Property Organization (WIPO) for the protection of a subgroup of geographical indications, namely appellations of origin. Discussions arose on the interpretation of the Lisbon Agreement concerning the way the Lisbon System for the International Registration of Appellations of Origin (“Lisbon System”) can fit in with, or be adapted to, the TRIPS Agreement. This, in particular, concerned situations of conflict between geographical indications and prior trademarks of third parties, an area that is only partly addressed in Article 5(6) of the Lisbon Agreement.

Article 5(6) stipulates that if an appellation that has been granted protection in a given country pursuant to notification of its international registration but was already in use by third parties in that country, and assuming that no refusal is notified, such third party may be granted a phaseout period of two years. As mentioned above, this provision had been interpreted by some authors as requiring the phaseout of conflicting trademarks after a two-year grace period irrespective of whether that trademark enjoyed a better priority.37 Such an approach would, however, have been incompatible with the principles of priority, exclusivity, and territoriality and would have raised serious concerns, for instance, as to its compatibility with the TRIPS Agreement. WIPO has therefore attempted to mitigate these concerns.

In a document prepared for the recently established Working Group on the Development of the Lisbon System, the WIPO Secretariat clarified that Article 5(6) applies only in case no refusal was notified under Article 5(3).38 Article 5(3) of the Lisbon

36. *Id.* para. 84.
38. WIPO, LI/WG/DEV/1/4 Prov (Jan. 8, 2010), para. 144:

If a country had not notified a declaration of refusal, then there was a provision under Article 5(6) of the Agreement which stipulated that prior use had to be terminated and that the country had the right to postpone the elimination of that prior use until two years after the refusal period had ended, at the latest. That provision only appeared to apply at that point in time. Indeed, if a country had notified a declaration of refusal, Article 5(6) and the corresponding Rule 12, according to their wording, would not appear to have application any longer.
Agreement provides for refusal of an international registration within a one-year period from the receipt of the notification of the registration by the Member State of the Lisbon Agreement. In another document, the WIPO Secretariat observed that the Lisbon Agreement is neutral on the grounds on which protection of an international registration may be refused. It stated that it is left to the domestic forum to decide for the grounds on which a refusal can be based and that such grounds may encompass the conflict of an international registration with earlier trademarks.\(^{39}\) No limits on the grounds that may be invoked in support of a refusal under Article 5(3) hence exist. Any challenge of the grounds of refusal must be before the courts of the refusing country.\(^{40}\) It has also since been clarified through Rule 16 of the Implementing Rules under the Lisbon Agreement that a registered application of origin can be invalidated even where there had been no refusal under Article 5(3) in the first place. The application can be invalidated for any grounds the national legislator deems appropriate, including prior trademarks.\(^{41}\)

This endorsement of priority, exclusivity, and territoriality under the Lisbon Agreement through interpretation and an amendment of the implementing Rules has led to a practice that shows that refusal of protection on grounds that the appellations conflict with prior trademarks seems broadly accepted.\(^{42}\) For instance, the Czech appellation Bud was refused by a number of Lisbon Member States—for instance, Haiti, Macedonia, Peru, and Nicaragua—on the ground that it conflicted with Anheuser-Busch’s trademark registrations for BUD enjoying priority in those

\(^{39}\) WIPO, LI/WG/DEV/1/2 Rev (Feb. 10, 2009), Annex II para. 16b:

For instance, a contracting country may refuse to protect an appellation of origin because it considers that the appellation has already acquired a generic character in its territory in relation to the product to which it refers or because it considers that the geographical designation does not conform to the definition of an appellation of origin in the Lisbon Agreement or because the appellation would conflict with a trademark or other right already protected in the country concerned.

\(^{40}\) Daniel J. Gervais, The Lisbon Agreement’s misunderstood potential, [2009] 1 W.I.P.O.J. 87, 98; see also Mihály Ficsor, Challenges to the Lisbon System, WIPO/GEO/LIS/08/4 (Oct. 31, 2008), para. 19:

Article 5(3) and Rule 9(2)(ii) require an indication of the grounds for a declaration of refusal if the competent authority of the contracting country declares that it cannot ensure the protection of an appellation of origin whose international registration has been notified to it, but neither the Agreement, nor the Regulations specify the grounds on which a declaration of refusal can be based. It happens in practice, and thus it seems broadly accepted, that an internationally registered appellation of origin is, and can be, denied protection in a contracting country to the Lisbon Agreement because existing prior rights would conflict with that appellation.


\(^{42}\) Ficsor, supra note 40, para. 19.
countries. Similarly, the Georgian appellation KHVANCHKARA was refused by Bulgaria based on an earlier national trademark.

Yet, if a country does not refuse protection of the appellation of origin registered under the Lisbon Agreement within the one-year period provided for under Article 5(3), Article 5(6) comes into play. Then a subsequent registration of an appellation of origin might still trump a prior trademark, which will have to be phased out after two years. This leaves a one-year window for priority. Interestingly, the WIPO Secretariat stated that the mandatory phaseout period of two years provided for in Article 5(6) does not apply where a refusal is, in whole or in part, withdrawn under Rule 11. If a refusal is withdrawn, a longer period for coexistence is allowed, possibly for an indefinite period. The WIPO Secretariat explained that such a longer period might be the result of an understanding reached between the country of origin and the country that had notified the refusal.

45. Gervais, supra note 41, 95.
46. WIPO, LI/WG/DEV/1/4 Prov (Jan. 8, 2009), para. 161-162:

161. Referring to the comments made by the Representative of OriGIn concerning Article 5(6) of the Lisbon Agreement, the Secretariat indicated that its understanding was that that provision only applied in case no refusal was notified and not in case of the withdrawal of a refusal. This view was based on the fact that Article 5(6) itself, as well as Rule 12 of the Lisbon Regulations, laid down a procedure for notification at the end of the one-year period in which a refusal could be issued and specified that the two-year period for phasing out prior uses of the denomination concerned in a given country that did not refuse to protect the international registration in question would have to start at the end of that one-year period and had to be notified to the International Bureau within three months after the end of the one-year period.

162. Continuing, the Secretariat said that it was, of course, a question of interpretation whether or not Member States were also bound to eliminate prior use in case of the withdrawal of a refusal within two years from the date of such a withdrawal. Although this question had never arisen in practice under the procedures of the Lisbon system, the Secretariat had once been asked by a Member State for its understanding in this regard, as the Member State in question was, at that time, preparing the withdrawal of a refusal and was wondering whether it could grant a period to prior users that was longer than two years from the date of the withdrawal. After ample consideration, the Secretariat had indicated to the Member State in question that it was its understanding that, in case of the withdrawal of a refusal, a longer period was allowed. In this respect, the Secretariat referred to paragraph 18 of the general overview of the Lisbon system contained in Annex II of document LI/WG/DEV/1/2 Rev. and said that such a longer period might be the result of an understanding reached between the country of origin and the country that had notified the refusal. If a longer period would not be allowed in the given situation, the country that had refused would simply wait until the longer period had passed before withdrawing the refusal. The Secretariat was of the view that this would not be in the interest of right holders, nor of the Lisbon system. Allowing a longer transitional period in the case of the withdrawal of a refusal would, after all, have the advantage that during the transitional period the international registration would benefit from protection against other third parties.
Just to be clear, Article 5(6) is anything but perfect. It still provides theoretically for the possibility of the phaseout of a prior right in situations where the owner of the prior right failed to oppose the appellation of origin. Appropriately interpreted, such a possibility should not be enforceable for being incompatible with both the TRIPS Agreement and fundamental rights guarantees. At the same time any adverse effects of Article 5(6) have so far been mitigated by accepting refusals of an appellation of origin under the Lisbon Agreement on the basis of prior trademarks. A reform of the Lisbon Agreement would be a welcome opportunity to repeal the anachronistic provision of Article 5(6) of the Lisbon Agreement.

B. EC Regulation on Wines

The recent developments at the international level endorsing priority, exclusivity, and territoriality in situations of conflict between geographical indications and trademarks continued with a reform of the EC Wine Regulation. Upon entering into force of Regulation No. 479/2008 (repealed by Regulation No. 491/2009 amending Regulation No. 1234/2007), the absolute prevalence of geographical indications over trademarks adopted under the former Wine Regulation was abandoned. The former approach was clearly inconsistent with Articles 16.1 and 24.5 of the TRIPS Agreement and likely to be in violation of the fundamental guarantee of private property rights as protected under the EU Treaty and the European Convention on Human Rights. Pursuant to former Regulations No. 1493/1999 and No. 2392/89, a later-filed geographical indication for wine prevailed, in principle, over a prior trademark. Only well-known trademarks that were registered at least twenty-five years before the official recognition of the geographical name in question and that had been used since then without interruption had been allowed to coexist. Other trademarks were subject to cancellation. This latter limited exemption was not even provided for in the original Regulation No. 2392/89. It was included after an amendment of the Regulation following the famous TORRES case. In this case, trademark registrations for TORRES had been in use for wine for


50. Annex VII, Part F, No. 2, subparagraph (2) of Regulation No. 1493/1999. For the text of the provision see supra note 12.
many years. The prior trademark registrations were put at risk upon the registration of the name “Torres Vedras” as a geographical indication for a valley north of Lisbon that the government claimed was a traditional wine-growing region under Regulation No. 2392/89. The protection of the geographical indication would have had as a consequence the invalidation of the TORRES trademarks, as they conflicted with the later-filed geographical indication. Regulation No. 479/2008 (and now Regulation No. 1234/2007) opted for a more balanced approach, allowing refusal of protection of later-filed geographical indications where in light of a prior trademark’s reputation and renown it is liable to mislead the public and providing for coexistence for all other prior trademarks. This approach is consistent with the approach taken under Regulation No. 2081/92 for agricultural products and foodstuffs, which was found compatible with the TRIPS Agreement by the Panel Report.

51. See A.G. Skol, Geographical Indications and International Trade, WIPO/GEO/SFO/03/15 (June 20, 2003) 2; see also, for a discussion on the approach taken under Regulation No. 2392/89, Nina Resinek, Geographical Indications and Trade Marks: Coexistence or “First in Time, First in Right” principle?, 29 Eur. Intell. Prop. Rev. 446, 449 (2007).

52. Article 43(2) of Regulation No. 479/2008 (now Article 118k(2) of Regulation No. 1234/2007) reads:

2. A name shall not be protected as a designation of origin or geographical indication where, in the light of a trademark’s reputation and renown, protection is liable to mislead the consumer as to the true identity of the wine.

Article 44 of Regulation No. 479/2008 (now Article 118l of Regulation No. 1234/2007) reads:

1. Where a designation of origin or a geographical indication is protected under this Regulation, the registration of a trademark corresponding to one of the situations referred to in Article 45 (2) and relating to a product falling under one of the categories listed in Annex IV shall be refused if the application for registration of the trademark is submitted after the date of submission of the application for protection of the designation of origin or geographical indication to the Commission and the designation of origin or geographical indication is subsequently protected. Trademarks registered in breach of the first subparagraph shall be invalidated.

2. Without prejudice to Article 43(2), a trademark the use of which corresponds to one of the situations referred to in Article 45(2), which has been applied for, registered or established by use, if that possibility is provided for by the legislation concerned, in the territory of the Community before the date on which the application for protection of the designation of origin or geographical indication is submitted to the Commission, may continue to be used and renewed notwithstanding the protection of a designation of origin or geographical indication, provided that no grounds for the trademark’s invalidity or revocation exist as specified by the First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (1) or Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (2).

In such cases the use of the designation of origin or geographical indication shall be permitted alongside the relevant trademarks.

In addition, Regulation No. 479/2008 (and now Regulation No. 1234/2007) adopted as the uniform priority date the date on which the application for protection of the geographical indication was submitted to the Commission, thereby endorsing both territoriality and priority.54

**C. EC Regulation No. 1151/2012 on Quality Schemes for Agricultural Products and Foodstuffs**

The shift in the law of the European Union on the protection of geographical indications toward a greater respect of the principles of priority and exclusivity of trademarks is also visible in certain provisions of new Regulation No. 1151/2012 on quality schemes for agricultural products and foodstuffs that entered into force only recently, repealing and replacing Regulation No. 510/2006, which had repealed and replaced Regulation No. 2081/92.

Former Regulation No. 510/2006 was considered the cornerstone of the European system for the protection of geographical indications. Its relevance had even increased when the Court of Justice of the European Union held in *Anheuser-Busch v. Rudolf Ammersin*55 that the GI Community system established under Regulation No. 510/06 was exhaustive, thereby preempting any protection for qualified geographical indications, i.e., geographical indications that establish a link between specific characteristics of the product and the particular region where it was produced, at Member State level. Consequently, qualified geographical indications that are not protected at Community level enjoy protection neither in the European Union nor in the Member States. This also means that it should be impossible to invalidate a conflicting trademark on the basis of, for instance, a national French appellation of origin that could have been protected under the Community system but was not.56 The finding of the Court of Justice has now been expressly endorsed by Regulation No. 1151/2012 in its Preamble 24; exception is made only for geographical indications of third countries.57

56. *See id.* paras. 129, 170-173.
57. Preamble 24 reads:

To qualify for protection in the territories of Member States, designations of origin and geographical indications should be registered only at Union level. With effect from the date of application for such registration at Union level, Member States should be able to grant transitional protection at national level without affecting intra-Union or international trade. The protection afforded by this Regulation upon registration, should be equally available to designations of origin and geographical indications of third countries that meet the corresponding criteria and that are protected in their country of origin.
That the rules under Regulation No. 510/2006 and now Regulation No. 1151/2012 have shifted toward an endorsement of priority also becomes clear from their further provisions. With regard to refusal of trademark application because of a geographical indication, Regulation No. 510/2006 allowed for such refusal only where the trademark application was submitted after the date of submission of the application of the geographical indication to the Commission (Article 14(1)). Previously, former Regulation No. 2081/92 had provided for the refusal of the registration of a trademark application if the trademark application was lodged prior to the geographical indication but registered after the publication of the protection of the geographical indication under EU law.\footnote{That paragraph shall also apply where the application for registration of a trade mark was lodged before the date of publication of the application for registration provided for in Article 6(2), provided that that publication occurred before the trade mark was registered.} Hence, the registration date was decisive and not the application priority. The latter approach was clearly incompatible with the principle of priority and the nature of trademark applications as possessions under the European Convention of Human Rights. The approach taken in Regulation No. 510/2006 has now also been implemented in Regulation No. 1151/2012 (new Article 14(1)).

The issue of appropriate reference date for priority and protection of geographical indications prior to their registration arose in the recent case \textit{Bayerisches Bier II}.\footnote{Bavaria NV v. Bayerischer Brauerbund eV, Case C-120/08, [2010] ECR I-13393, [2011] ETMR 11.} The case was special insofar as, under Regulation No. 2081/92, the reference date for priority was the publication of the geographical indication in the \textit{Official Journal of the European Communities} according to Article 6(2), but the geographical indication at issue had never been published in this way.\footnote{Where a designation of origin or geographical indication is registered in accordance with this Regulation, the application for registration of a trade mark corresponding to one of the situations referred to in Article 13 and relating to the same type of product shall be refused, provided that the application for registration of the trade mark was submitted after the date of the publication provided for in Article 6(2).} It had been protected under the simplified procedure of Article 17 of Regulation No. 2081/92. Under that procedure, no assessment at Community level or publication of the protection of the geographical indication in the \textit{Official Journal of the European Communities} was required. Protection was acquired by listing in the Annex to Regulation No. 1107/96\footnote{Commission Regulation (EC) No. 1107/96 of June 12, 1996, on the registration of geographical indications and designations of origin under the procedure laid down in Article 17 of Council Regulation (EEC) No. 2081/92 [1996] OJ L148/1.} based on the
information of the Member State about the national protection of the geographical indication.\textsuperscript{62} Article 17 aimed at preventing geographical indications that were already protected under the legal system of the Member States from being subject to the same requirements and time limits as new geographical indications.\textsuperscript{63} The Court of Justice clarified that protection of a GI required transparency, e.g., by publication of the trademark registration, in order to satisfy the principle of legal certainty. The Court considered that the publication of Regulation No. 1107/96 containing the claimed geographical indication actually satisfied the transparency requirement.\textsuperscript{64}

While having dropped the above-discussed problematic language of former Regulation No. 2081/92 as regards priority, Regulation No. 510/06 did not yet fully endorse the priority principle. It established priority for a possible coexistence between a prior trademark and later geographical indication by referring to two dates, the priority of the geographical indication in its country of origin or—reflecting Article 24(5) of the TRIPS Agreement\textsuperscript{65}—January 1, 1996\textsuperscript{66} (Article 14(2)). By determining the date of protection in the country of origin as the priority date, a trademark that was registered in another Member State of the European

\textsuperscript{62} Article 17(1) of Regulation No. 2081/92 provided:

1. Within six months of the entry into force of the Regulation, Member States shall inform the Commission which of their legally protected names, or, in those Member States where there is no protection system, which of their names established by usage they wish to register pursuant to this Regulation.

2. In accordance with the procedure laid down in Article 15, the commission shall register the names referred to in paragraph 1 which comply with Articles 2 and 4. Article 7 shall not apply. However, generic names shall not be added.

3. Member States may maintain national protection of the names communicated in accordance with paragraph 1 until such time as a decision on registration has been taken.

Article 1 of Regulation No. 1107/96 provided:

The names listed in the Annex shall be registered as protected geographical indications (PGI) or protected designations of origin (PDO) pursuant to Article 17 of Regulation (EEC) No. 2081/92.

Names not included in the Annex which have been forwarded pursuant to Article 17 shall continue to be protected at national level until a decision has been reached on them.


\textsuperscript{65} Articles 24.5 (a), 65.1 of the TRIPS Agreement; see also Nuno Pires de Carvalho, \textit{The TRIPS Regime of Trademarks and Designs} (Kluwer Law 2006), para. 24.5.

Union was hence theoretically at risk of being phased out in case a conflicting geographical indication was registered at the Community level, which would surely have given rise to a challenge under the European Convention on Human Rights considering the ECHR’s judgment in Anheuser-Busch v. Portugal.67 This has therefore now been corrected by new Regulation No. 1151/2012, which provides for the date of submission of the application for the protection of the geographical indication to the Commission as the uniform priority date that will apply to all products for which geographical indications can be registered.68 Hence, the new priority rule is the well-established rule of application priority for the territory for which protection is sought. This is compliant with both the principles of priority and territoriality.

V. AVOIDING UNDUE MONOPOLIES—EXPLAINING THE EXEMPTIONS INHERENT WITHIN TRADEMARK LAW

We have seen that the rules for resolving conflicts between trademarks and geographical indications have shifted toward priority, exclusivity, and territoriality. That raises the question whether these principles are indeed adequate for resolving such conflicts. There must be a reason why contrary to, for instance, the conflict between a trademark and a copyright or a trademark and a design right, there was, and partly still is, such a passionate defense of sui generis rules giving superiority to geographical indications. One reason lies certainly in the perceived conceptual differences between a common good and private property, but there had also been the notion of unfairness; the perception of the poor rural community that is deprived of its cultural heritage by clever private entrepreneurs who know how to play the trademark system. Assuming, for the sake of argument, that such situations may occur, we need to examine whether a conflict solution mechanism that is immanent in trademark law and is based on

67. See Anheuser-Busch, Inc. v. Portugal, Case No. 73049/01 (ECHR, 2d Section, Oct. 11, 2005) and Anheuser-Busch, Inc. v. Portugal, Case No. 73049/01 para. 76 (ECHR, Grand Chamber, Jan. 11, 2007).
68. Article 14(2) of Regulation No. 1151/2012. See also Preamble 31 that provides:

The scope of the protection granted under this Regulation should be clarified, in particular with regard to those limitations on registration of new trade marks set out in Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks that conflict with the registration of protected designations of origin and protected geographical indications as is already the case for the registration of new trade marks at Union level. Such clarification is also necessary with regard to the holders of prior rights in intellectual property, in particular those concerning trade marks and homonymous names registered as protected designations of origin or as protected geographical indications.
priority, exclusivity, and territoriality has the tools for resolving these issues. In our opinion this is the case.\(^{69}\) The monopoly right granted under trademark law has never been unlimited. Trademark law has always known immanent exemptions to the rules of priority, exclusivity, and territoriality, for example, as reflected in Article 17 of the TRIPS Agreement.\(^{70}\) Employing the tools furnished by trademark law in situations of conflict between trademarks and geographical indications allows for just results on both sides—avoiding undue monopolies but, at the same time, honoring the private property rights acquired by the respective rights holder.\(^{71}\)

The main mechanisms are as follows: (1) refusing trademarks as geographically descriptive or misleading and thereby avoiding a monopoly right in the first place, (2) refusing a trademark because of a conflict with an existing prior geographical indication (priority and exclusivity rule), and finally, (3) limiting the monopoly right of a registered mark by providing for coexistence with geographically descriptive terms. We will draw on European trademark law to provide illustrations of these mechanisms, although they generally exist in trademark regimes around the world.

### A. Refusing Trademarks as Geographically Descriptive

Trademark law has long acknowledged the need to keep certain geographical indications free, providing for a possibility to refuse a trademark application if it either consists of a geographically descriptive term or if it is deceiving as to the geographical origin of the product for which the trademark shall be registered. Article 3(1)(c) and (g) of the EU Trademark Directive stipulates:

The following shall not be registered or, if registered, shall be liable to be declared invalid:

(c) trademarks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, the quality, quantity, intended purpose, value, geographical origin, or the time of production of the goods or of rendering of the service, or other characteristics of the goods;

(g) trademarks which are of such a nature as to deceive the public, for instance as to the nature, quality or geographical origin of the goods or services.

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69. Okediji, supra note 1, 1364 et seq.

70. See also Kur & Cocks, supra note 1, 1013.

71. See also Hughes, supra note 1, 386.
The Community Trademark Regulation\textsuperscript{72} contains identical provisions in Article 7(1)(c) and (g).

The standard test for determining whether a geographical indication needs to be kept free was developed by the Court of Justice in its \textit{Chiemsee} decision.\textsuperscript{73} Interestingly, the case did not concern a trademark application but was rendered upon an order for reference of a preliminary ruling from the Regional Court of Munich in a trademark infringement case where the use of the word CHIEMSEE in a logo was challenged. Because CHIEMSEE also was the name of a German lake, the validity of the allegedly infringed trademark had first to be established. In this regard, the Regional Court of Munich sought guidance from the Court of Justice. The Court of Justice observed:

31. Thus, under Article 3(1)(c) of the Directive, the competent authority must assess whether a geographical name in respect of which application for registration as a trade mark is made designates a place which is \textit{currently associated in the mind of the relevant class of persons with the category of goods concerned}, or \textit{whether it is reasonable to assume that such an association may be established in the future}.

32. In the latter case, when assessing whether the geographical name is capable, in the mind of the relevant class of persons, of designating the origin of the category of goods in question, regard must be had more particularly to the \textit{degree of familiarity} amongst such persons with that name, with the characteristics of the place designated by the name, and with the category of goods concerned.

33. In that connection, Article 3(1)(c) of the Directive does not in principle preclude the registration of geographical names which are \textit{unknown} to the relevant class of persons—or at least unknown as the designation of a geographical location—or of names in respect of which, because of the type of place they designate (say, a mountain or lake), such persons are unlikely to believe that the category of goods concerned originates there.\textsuperscript{74}

A trademark application may thus be refused where there is a current association or where there is tangible evidence to assume that such an association may be established in the future. The latter has to be measured against the degree of familiarity of the term in question—that is, whether it is likely that consumers will


\textsuperscript{74} \textit{Id.} paras. 31-34.
come to believe that the designated products originate from the relevant geographical location. Where there is no association with the geographical name or where no such association is likely to be developed in the future for the goods or services concerned by the public in the relevant territory, there is no reason to protect the name from being monopolized. In particular, there is no goodwill or value endorsed in the designation other than that created by the use of the trademark that could be prejudiced. Besides, as will be shown below, registering a geographical name as a trademark does not automatically bar any use of the geographical name (here: Chiemsee) in connection with products similar to those for which protection is claimed under the trademark that come from the said geographical region. Fair descriptive use remains possible.

The Chiemsee doctrine limits the registrability of geographically descriptive names as trademarks. At the same time, it does not exclude the possibility of words that are also geographical names being registered as trademarks. For example, the trademark FUERTEVENTURA for clothing was found eligible for registration by the Office of Harmonization for the Internal Market (OHIM), as the Office found it unlikely that the average Community consumer would consider the Spanish island with the name “Fuerteventura” as an indication of the geographical source for certain clothing. According to OHIM, even though consumers in the European Union might know the island of Fuerteventura, there was no reason to assume that consumers might think that the goods were made or designed on the island, given that Fuerteventura was not famous or on the verge of becoming famous for its clothing industry. In such a situation, there was no reason to keep a geographical name free. Based on similar considerations, OHIM confirmed registration of the trademark GREAT CHINA WALL for clothing. It observed that, although the Great Wall of China was one of the greatest wonders of the world and an appealing tourist attraction, it was not known in the Community for the presence of any facilities for the production of clothing textiles.

B. Refusing a Trademark Because of a Conflict with a Community Geographical Indication

Moreover, the EU GI legislation itself relies on the principles of priority and exclusivity for resolving situations of conflicts between prior geographical indications and later trademarks. Article 14(1) of Regulation No. 1151/2012 (formerly Article 14(1) of
Council Regulation No. 510/2006; formerly Article 14(1) of Regulation No. 2081/92) stipulates:

Where a designation of origin or a geographical indication is registered under this Regulation, the registration of a trade mark the use of which would contravene Article 13(1) and which relates to a product of the same type shall be refused if the application for registration of the trade mark is submitted after the date of submission of the registration application in respect of the designation of origin or the geographical indication to the Commission.

Trade marks registered in breach of the first subparagraph shall be invalidated.

The provisions of this paragraph shall apply notwithstanding the provisions of Directive 2008/95/EC.

According to Article 14(1), a protected geographical indication may constitute a ground for refusal of a later trademark if the trademark is covered by a situation described in Article 13. This includes use of a geographical indication for similar, though unprotected, products or exploitation of the reputation of that geographical indication. Article 13 further bars any “misuse,” “imitation,” or “evocation” of a geographical indication by the use of a later trademark, even if the true origin of the product is indicated or the protected name is translated or accompanied by an expression such as “style,” “type,” “method,” “as produced in,” “imitation,” or the like. Finally, and most broadly, the use of a geographical indication is prohibited under Article 13 against “any other false or misleading indication as to the provenance, origin, nature or essential qualities of the product” and “any other practice liable to mislead the consumer as to the true origin of the product.” Similar provisions are contained in the EC Regulations on wines and spirits. Unlike the former Regulations, the new Article 14(1) further clarifies the relationship between GI protection and trademark protection, providing that a later trademark qualifying for a situation under Article 13 may be refused under Regulation No. 1151/2012 notwithstanding the provisions of the Trademark Directive.

The priority principle endorsed in the EU legislation on geographical indications is complemented by Article 14(2) of

77. Article 13(1)(a) of Regulation No. 1151/2012.
78. Article 13(1)(b) of Regulation No. 1151/2012.
79. Article 13(1)(c) of Regulation No. 1151/2012.
80. Article 13(1)(d) of Regulation No. 1151/2012.
Regulation No 1151/2012 (formerly Article 14(2) of Regulation No. 510/2006; formerly Article 14(2) of Regulation No 2081/92) shielding rights to geographical indications against any prior registration of a trademark in bad faith. Article 14(2) states:

Without prejudice to Article 6(4), a trade mark the use of which contravenes Article 13(1) which has been applied for, registered, or established by use if that possibility is provided for by the legislation concerned, in good faith within the territory of the Union, before the date on which the application for protection of the designation of origin or geographical indication is submitted to the Commission, may continue to be used and renewed for that product notwithstanding the registration of a designation of origin or geographical indication, provided that no grounds for its invalidity or revocation exist under Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark or under Directive 2008/95/EC. In such cases, the use of the protected designation of origin or protected geographical indication shall be permitted as well as use of the relevant trade marks.

By clarifying that the situation under Article 14(2) is without prejudice to Article 6(4), the EU legislator emphasizes the exceptional character of coexistence between geographical indications and trademarks, thereby honoring the WTO Panel’s finding that the provision needs to be construed narrowly in order to constitute a limited exception under Article 17 TRIPS. Article 6(4) stipulates that a later-filed geographical indication shall not be protected where, in the light of a trademark’s reputation and renown and the length of time it has been used, registration of the geographical indication would mislead the consumer as to the true identity of the product. The grounds for invalidity or revocation under the Community Trademark Regulation referred to in Article 14(2) include trademarks which consist exclusively of indications which may serve, in trade, to designate the geographical origin of goods or to deceive the public as to the geographical origin of the goods. Similar provisions can also be found in the EC regulations on wines and spirits.

The question of bad faith was at the heart of the Gorgonzola/Cambozola case, where the Handelsgericht Wien

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82. See Panel Report, supra note 4, para. 7.679.
83. Articles 3(1)(c) and (g) and 12(2)(b) of the Trademark Directive. See also above Part V.A (Refusing Trademarks as Geographically Descriptive).
(Commercial Court of Vienna) sought guidance from the Court of Justice of the European Union regarding the use of the trademark CAMBOZOLA alongside the (later) Community geographical indication Gorgonzola. The Court of Justice specified that the concept of good faith must be viewed in light of the entire body of legislation, both national and international, in force at the time when the application for registration of the trademark was lodged. Most importantly, the proprietor of the trademark may benefit from a presumption of good faith if the legislation in force at the date of filing did not protect the geographical indication at issue.\(^\text{85}\)

Regarding an analysis of the particular circumstances under which the application was submitted, the Court found that only the domestic court before which the case was pending was in a position to carry out an analysis of that nature and determine whether the application was lodged in good faith.\(^\text{86}\) The Court thus honored the principle of territoriality, acknowledging that while it may be justified to assume bad faith in one country as a result of the specific situation found in that country this may not be the case in another. Applying the interpretative criteria developed by the Court of Justice, the Austrian Supreme Court (Oberster Gerichtshof) dismissed the case, finding that the application for CAMBOZOLA was in good faith, as it was in accordance with the Austrian law applicable at the date on which the trademark application was filed. At that time, the geographical indication Gorgonzola was not protected under Austrian law, because the Stresa Convention had then not yet been ratified by Austria.\(^\text{87}\)

Similarly, the Corte d’Appello di Torino dismissed Bayerischer Brauerbund’s complaint for the invalidation of the prior BAVARIA trademarks of the Dutch brewery Bavaria based on the (later) Community GI Bayerisches Bier.\(^\text{88}\) The Dutch brewery had registered several trademarks containing the element BAVARIA, including a word mark BAVARIA. Bayerischer Brauerbund had sought a ruling declaring the trademarks invalid on the ground that they conflicted with the (later) Community GI Bayerisches Bier. The Corte reasoned that the trademarks were registered in good faith because BAVARIA had been used for beer by the Dutch brewery since the 1930s and Bayerisches Bier had not been known

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\(^{86}\) Id. para. 36.


\(^{88}\) Corte d’Appello di Torino, judgment of February 2, 2012, Case No. 299/07 RG; the similar German case involving the trademark BAVARIA HOLLAND BEER of the BAVARIA brewery has recently been referred back to the Court of Appeals Munich (Bundesgerichtshof, ruling of Sept. 22, 2011, Case I ZR 69/04 – Bayerisches Bier II).
in Italy at the time of their registration. In light of this, the Corte granted the complaint only with regard to the word mark BAVARIA, which it found to be geographically descriptive, hence subject to invalidation under the Trademark Directive. According to Article 14(2), a trademark that may be invalidated under trademark law must give way to a geographical indication despite having been registered in good faith. Insofar, EU GI legislation and trademark law go hand in hand. With regard to the other trademarks, the Corte dismissed the claim reasoning that the additional figurative elements and/or the additional words “Holland Beer” ruled out any geographically descriptive or deceptive character.  

By this, the Corte d’Appello applied the interpretative guidelines given by the Court of Justice of the European Union in its preliminary ruling on the case. The Corte d’Appello had referred the question to the Court of Justice whether the recognition of a GI was to have no adverse effects on the validity or usability of prior trademarks that incorporated the GI or a confusingly similar indication. The Court of Justice answered this by stating that the registration as geographical indication must be interpreted as allowing coexistence of the prior trademark and the later geographical indication in Article 14(2), unless the trademark was registered in bad faith or was affected by the grounds for invalidity or revocation set out in the Trademark Directive, thereby not affecting the validity or usability of a prior trademark. As already mentioned above, this has now been explicitly recognized under Regulation No. 1151/2012.

In the context of the case, the Court of Justice also elaborated on the relationship between Article 14(2) and Article 14(3) of former Regulation No. 2081/92 (now Article 14(2) and Article 6(4) of Regulation No. 1151/2012). According to Article 14(3), a geographical indication shall not be registered where, in the light of a trade mark’s reputation and renown and the length of time it has been used, registration is liable to mislead the consumer as to the true identity of the product. The Court held that Article 14(3)

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91. Id. para. 125.

92. Article 14(3) of Regulation No. 2081/92 read:

A designation of origin or geographical indication shall not be registered where, in the light of a trade mark’s reputation and renown and the length of time it has been used, registration is liable to mislead the consumer as to the true identity of the product.

Article 6(4) of Regulation No. 1151/2012 reads:

A name proposed for registration as a designation of origin or geographical indication shall not be registered where, in the light of a trade mark’s reputation and renown...
did not have any effect on the interpretation of Article 14(2). While both provisions cover the situation of conflict of a prior trademark with a later geographical indication, the provisions were independent, having separate objectives and functions and being subject to different conditions (scope, consequences, and addressees are different).93 Article 14(3) governs the registrability of a geographical indication in a situation of a conflict with a prior well-known trademark if the geographical indication was misleading.94 By contrast, Article 14(2) involves ascertaining whether a competing trademark may continue to be used (as in the present case), if it was registered in good faith and not subject to the grounds for invalidity or revocation provided for by Article 3(1)(c) and (g) and Article 12(2)(b) of the Trademark Directive.95 Given the different scope of application of the provisions, the fact that there was no likelihood of confusion on the part of the consumer, for the purposes of Article 14(3), between the later geographical indication and the prior trademark did not exclude the use of the mark from being covered by Article 14(2) or being considered a situation referred to in Article 13(1) (misleading use) or being subject to one of the grounds for invalidity or revocation as provided for by Article 3(1)(c) and (g) and Article 12(2)(b), respectively, of First Directive 89/104.96

This standard provided for in situations of conflict between geographical indications and trademarks gives adequate consideration to the interests of the holders of both rights and is also immanent to trademark law as laid out above.97

C. Refusing Trademarks Because of a Conflict with a National Geographical Indication

The conflict between a national geographical indication and a Community trademark application was at issue in the Anheuser-Busch (BUD) judgment of the Court of Justice of the European Union of March 29, 2011.98 The judgment concerned an opposition of a trademark application based on a prior geographical

and the length of time it has been used, registration of the name proposed as the designation of origin or geographical indication would be liable to mislead the consumer as to the true identity of the product.

93. Id. para. 117.
94. Id. para. 118, 120.
95. Id. paras. 119, 121.
96. Id. para. 124.
97. See supra Part V.A (Refusing Trademarks as Geographically Descriptive). For a proposal to resolve the conflict between trademarks and geographical indications by importing the reasoning underlying the doctrine of “honest concurrent use,” see Gangjee, supra note 1, 1283; for a different approach considering GIs as a form of prior art limiting the trademark owner’s use of the priority club, see Okediji, supra note 1, 1365.
indication protected under the Lisbon Agreement in France, Italy, and Portugal, and under a bilateral treaty in Austria. The opposition was brought under Article 8(4) of the Community Trademark Regulation. Article 8(4) reads:

Upon opposition by the proprietor of a non-registered trade mark or of another sign used in the course of trade of more than mere local significance, the trade mark applied for shall not be registered where and to the extent that, pursuant to the Community legislation or the law of the Member State governing that sign:

(a) rights to that sign were acquired prior to the date of application for registration of the Community trade mark, or the date of the priority claimed for the application for registration of the Community trade mark;

(b) that sign confers on its proprietor the right to prohibit the use of a subsequent trade mark.

The Court of Justice affirmed that a geographical indication could be considered a “sign used in the course of trade” in the meaning of trademark law, thereby giving national geographical indications their place as a possible prior right. A geographical indication’s qualification for trumping a later trademark was dependent only on whether the indication had a real presence on the relevant market in the European Union, because

[the common purpose of the two conditions laid down in Article 8(4) of Regulation No 40/94 is to limit conflicts between signs by preventing an earlier right which is not sufficiently definite—that is to say, important and significant in the course of trade—from preventing registration of a new Community trade mark. A right of opposition of that kind must be reserved to signs which actually have a real presence on their relevant market.99]

The Court specified that for a geographical indication to block a trademark application, the indication must have been used in a substantial part of its area of protection,100 in particular in the territory in which it was protected (here: France, Italy, Portugal, and Austria).101 Genuine use is required neither for owners of trademark rights nor for holders of geographical indications opposing a later trademark.102

This case is—under the auspices of trademark law—again an important expression of what has been analyzed throughout this article: when it comes down to the conflict between trademarks

99. Id. para. 157.
100. Id. para. 159.
101. Id. para. 162.
102. Id. paras. 142-46.
and geographical indications, there are no special “superior right” rules applying in favor of geographical indications. With its decision, the Court of Justice lifted a very comprehensive, but erroneous judgment of the General Court. The General Court had considered that use of the designation outside the territory for which the geographical indication was protected could be taken into account; it also considered it possible to take into account use made after the date of application for the trademark. Most likely these findings were driven by a “special rule for geographical indications” concept, and it is exactly this “special rule approach” that the Court of Justice dismissed when quashing the judgment of the General Court.

D. Coexistence of Trademarks with a Geographically Descriptive Term

A further exemption of the priority and exclusivity rule embodied in trademark law that contributes to an adequate balance between trademarks and geographical indications is fair descriptive use. An example is Article 6(1)(b) of the Trademark Directive, which stipulates:

The trademark shall not entitle the proprietor to prohibit a third party from using, in the course of trade, [...] indications concerning the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of the services, or other characteristics of goods or services.

This exemption was the subject of a preliminary ruling of the Court of Justice of the European Union in the case Gerri/Kerry. Gerolsteiner Brunnen, a German company, claimed that the marketing in Germany of mineral water a label including the name Kerry Spring prejudiced the company’s prior trademark rights in the term GERRI. The contested mineral water originated from a spring called Kerry Spring in Ireland. The European Court of Justice held that fair use was not ruled out by the mere facts that a sign was used as a trademark and the signs at issue were confusingly similar. The Court of Justice pointed out that the purpose of Article 6(1)(b) was to reconcile the interests of the parties. Therefore, “an overall assessment of all the relevant circumstances” of the case had to be carried out for establishing

105. Id. para. 25.
106. Id. para. 16.
whether there was fair use of the younger designation. The assessment was left for the national court, which the Court of Justice—rightly—found best suited to examine the specific situation in the relevant country of conflict. The Court of Justice specified its findings in two later cases, Anheuser-Busch and Céline, which involved the question of fair use of confusingly similar trade names. As factors for assessing fair use, the Court named in these decisions

- the extent to which the use of the third party’s sign is understood by the relevant public, or at least a significant part of the public, as indicating a link between the third party’s goods or services and the trademark proprietor;
- the extent to which the third party ought to have been aware of that;
- the trademark’s reputation from which the third party might profit in marketing his goods or services.

Applying the fair use exemption as understood by the Court of Justice thus provides for an adequate reconciliation of the interests embodied in geographical indications and trademarks.

VI. STAY VIGILANT

Our analysis has shown that priority, exclusivity, and territoriality are increasingly accepted as the most relevant principles for resolving the dispute between trademarks and geographical indications and that trademark law’s intrinsic limitations of the monopoly right ensure equitable solutions in cases of conflicts.

It would, however, be too early to claim for an “end of history” under the assumption that priority, exclusivity, and territoriality are now the firmly established conflict resolution principles. The consensus is fragile, as the continued debate in international forums shows. It is important to stay vigilant and actively contribute to the currently ongoing reform processes on the systems of geographical indications in order to ensure that the achievements of the last decade are not light-heartedly thrown overboard. The most important such forums are the WTO and WIPO with the Doha Round negotiations and the Lisbon Agreement reform process.

107. Id. para. 26.
Two contentious issues are under negotiation at the WTO Doha Round: (1) the establishment of a system of notification and registration of geographical indications, and (2) the extension to other products than wines and spirits of the higher scope of protection afforded to wines and spirits by the TRIPS Agreement.\textsuperscript{111} Two main sets of proposals on the creation of a multilateral register for geographical indications—one led by the EU, the other led by the United States—have been submitted over the years. Binding wider protection for geographical indications for all WTO Member States is a key goal for the European Union in the negotiations, whereas the United States favors a database with merely informational character and to which participation is strictly voluntary.\textsuperscript{112} However, nothing in the current debate at WTO level indicates that the discussed protection of geographical indications—whether or not expanded to all products other than wines and spirits—is supposed to prejudice prior trademark rights that exist in the individual WTO Member States. With their proposal of 2005, the European Union has aligned itself to the principle of territoriality. The EU acknowledged that there are instances in which, under the current EU proposal, countries could give the appearance that a certain GI would be protectable in their territory, where, in fact, conflicting trademarks could in practice result in a GI not being allowed to be used in the course of trade.\textsuperscript{113}

Under the proposals of both EU and the United States, it would thus be left to the national legislator and the national courts to decide whether a geographical indication should be refused protection in the specific country where there are conflicting trademarks. Clarifying and confirming that rule in the respective proposals would be helpful.

Within the framework of the WIPO, a working group was set up in 2008 to discuss a possible development of the Lisbon System.\textsuperscript{114} The stated aim of the development is to make the Lisbon System more attractive to its Members and prospective Members of the Lisbon Union, while preserving the principles and

\textsuperscript{111} For the status of the negotiations, see WTO, Multilateral system of notification and registration of geographical indications for wines and spirits, report by the Chairman, TN/IP/21 (Apr. 21, 2011).

\textsuperscript{112} For the U.S. proposal, see WTO, Proposed draft TRIPS Council decision on the establishment on the establishment of a multilateral system of notification and registration of geographical indications for wines and spirits, TN/IP/W/10/Rev. 4 (Mar. 31, 2011).

\textsuperscript{113} WTO, Communication from the European Communities, WT/GC/W/547, TN/C/W/26, TN/IP/W/11 (June 14, 2005) 4; see also the EU’s modified proposal of 2008 WTO, Draft modalities for TRIPS related issues, TN/C/W/52 (July 19, 2008). For the problems resulting from a wider protection of geographical indications, see Hughes, supra note 1, 373 et seq.

\textsuperscript{114} For more information, see http://www.wipo.int/meetings/en/topic.jsp?group_id=45.
objectives of the Lisbon Agreement. The discussions evolve around an array of topics, one of which is the relation between geographical indications and trademarks. Two alternatives are discussed with regard to the form the new system should take. The new system may either take the form of a new treaty or protocol or the proposed new instrument may be a revised version of the Lisbon Agreement.\footnote{See, e.g., WIPO, Draft New Instrument concerning the International Registration of Geographical Indications and Appellations of Origin, LI/WG/DEV/4/2 (Oct. 7, 2011) Preamble (1); LI/WG/DEV/5/2 (Sept. 28, 2012), Preamble (5).} The content and ambit of a possibly developed Lisbon system is highly controversial. This includes the question of how the conflict situations between geographical indications and trademarks should be handled. During the debates in the various sessions of the working group proposals ranging from absolute priority of geographical indications to the application of priority, exclusivity, and territoriality were discussed. No consensus has been found yet, but a Diplomatic Conference for the adoption of the revised Lisbon Agreement is envisaged already for the end of 2015. This is possibly the biggest single threat to the fragile equilibrium that has been achieved during the last decade and it is also an opportunity to strengthen it further—for example, by repealing Art. 5(6) of the Lisbon Agreement. It is currently unclear whether the achievements for an application of the principles of priority, exclusivity, and territoriality will be reflected in the possible development of the Lisbon Agreement or whether the development could bring a return of prevalence of geographical indications over trademarks, regardless of the priority of the latter.\footnote{For instance, in the session of December, 2011, the WIPO Secretariat presented a proposal providing for a coexistence of prior trademarks with which it intended to “safeguard prior rights to use a trademark for a sign that corresponds to an internationally registered geographical indication, except whether the earlier trademark has been acquired in bad faith”; WIPO, Notes on the draft new instrument concerning the international registration of geographical indications and appellations of origin, LI/WG/DEV/4/4 (Oct. 7, 2011), Notes on Article 12, para. 12.02. In the session of December 2012, the presented proposal simply referred to the minimum standard of the TRIPS Agreement; WIPO, Notes on the draft new instruments, LI/WG/DEV/6/4 (Sept. 28, 2012), Notes on Article 13, para. 13.01.} Such a development would immediately give rise to conflicts with other public international law agreements, in particular the TRIPS Agreement.

VII. CONCLUSION

If we look closely at the debate over the solution of conflicts between trademarks and geographical indications and analyze the legislation as well as the case law of the last decade, it cannot go unnoticed that the almost universally accepted basic principles of priority, exclusivity, and territoriality have become the guiding principles for these conflicts. The application of these principles
also changes with time and according to circumstances. Sometimes there is greater emphasis on the exclusivity element; sometimes the emphasis is on the fair descriptive use element that is tied to exclusivity. But the basics stay the same: priority, exclusivity, and territoriality are the guiding principles for the conflict between trademarks and geographical indications and not any special rules based on an assumption of inherent superiority of one type of right over the other. This is a hugely important achievement that will help build further bridges between trademark owners and geographical indications holders. The new Lisbon process could put these achievements at risk, but more than anything it provides a unique opportunity to confirm in a fundamental new agreement what has been achieved through an often passionate and always intellectually stimulating and challenging debate.