Geographic naming rights to products
a hot topic in intellectual property law

When Juliet discovers that her new magazine has chosen the wrong last name (that of an enemy), she tells the world that she will simply call him by an- other name. In Shakespeare’s immortal words, “a rose by any other name would smell as sweet.”

While a certain laxity might be allowed in connection with the names of its vintners and lovers, as I discovered during a recent sojourn in Italy, wines are another matter. In the intellectual prop- erty world of wine and roses, names mean everything. Juliet can call Romeo John Smith if she wants, but to the person who “misnames” an Italian wine.

As anyone who has enjoyed a glass of Chianti can attest, the flavor of these Italian wines is unique. It is also carefully reg- ulated by the Chianti Classico Wine Consortium. You can tell if you are drinking a bottle of true Chianti wine by the black roster on the seal (the Gallo Nero) and the phrase DOCG on the label (an acronym for “controlled and guar- anteed denomination of origin”).

To be granted the exalted sta- tus of a Chianti a vintner must not only use Sangiovese grapes grown in the Chianti region, he must also follow exact rules about the combinations of grapes al- lowed—at least 80 percent San- giovese grapes, the rest specified red varietals, including merlot and/or cabernet sauvignon—and production processes, including aging times and techniques. Fail- ure to do so results in ejection from the Chianti “club.”

The legendary story of the birth of the “Super Tuscan” wines that have proven so popular in the United States involves an attempt by a group of Chianti vintners to “improve” the popularity of their wine by altering the “recipe” to allow for the inclusion of a broader mix of grapes to obtain a richer flavor.

When the Chianti Consortium rejected the requested change, a new wine was born. Produced outside the controls of the DOCG regulations of the consortium, Super Tuscans operate within the much broader regulations of an IGT (indicazione geografica tipica) that permits a wider range of blends and production tech- niques to bear the “Toscana” designation. In fact, some claim that the IGT designation was created to com- bat the embarrassing problem of having so many well-known Italian wines existing outside any control whatever.

If anyone doubts the value of a geographic indication, such as Chianti, as a marketing tool, the story of the Gaja Winery and the $400 bottle of Langhe Nebbiolo 2010 should convince them.

Similar to the tale of the Super Tuscans, an Italian vintner, An- dreas Gaja, wanted to alter the mix of grapes in his DOCG Barbaresco wine to provide for a more consistent flavor. Some al- lege that Gaja also wanted to com- bine grapes from newly acquired vineyards outside the territorial domains of the Barbaresco region in Piedmonte.

Like Chianti, Barbaresco is a geographic indication that is strictly controlled. The Consor- tium of Tutela Barolo Barbaresco Alba Langhe and Roero was no less accommodating to Gaja’s re- quest for a waiver than the Chi- anti Consortium had been to the Super Tuscans. But instead of creating a new wine, Gaja simply chose to rebrand the wine he cre- ated outside the DOCG regula- tions of the Barbaresco Consor- tium with the less regulated Langhe Nebbiolo designation.

As a DOC (as opposed to a DOCG), the regulations for the Langhe Nebbiolo wine allow for greater variety in production techniques, granting Gaja the ability to use a variety of grapes to achieve the desired blend for his wine. Most remarkable of all, by relabeling previously highly prized DOCG Barbaresco with the arguably less desirable Langhe Nebbiolo designation, Gaja produces some of the most sought after bottles of this “lower ranked” wine. More significantly, Italian Nebbiolos are gaining market share in the United States.

The tales of the Super Tuscans and Gaja’s Nebbiolos help illus- trate why geographic indication have become such a hot issue in international intellectual prop- erty law. Even though such indica- tions are not technically trade- marks, they can become powerful marketing tools. Developing countries, such as India, China and Brazil, have embraced geo- graphic indications to enhance their ability to market locally pro- duced goods, including handi- crafts. Yet protection for such indica- tions remains woefully inconsis- tent internationally.

A relevant component of the Agreement on Trade Related As- pects of Intellectual Property Rights (TRIPS) stipulates that no country may use another coun- try’s geographical indications in connection with the production of wine or spirits. Pre-TRIPS pro- ducers were excepted.

Thus, new producers of sparkling wine in the United States may not refer to their product as “champagne.” Only sparkling wine produced in the Champagne region of France can use that exalted designation.

Producers of other geographi- cally distinct goods, such as Roquefort cheese, Darjeeling tea or Idaho potatoes, are not so lucky. Instead, they may only stop uses of geographic indications that “cause confusion or mistake as to the source of the goods.” Thus, “cheddar” may be an En- glish indication for cheese, but in the United States “Wisconsin cheddar cheese” may flourish be- cause no one is confused about the source of the tasty cheese they are devouring.

Immigration has contributed to increasingly bitter disputes over the right to use a given geographic indication in connection with similar products as newcomers bring their production practices from home, along with the an- cestral name. “Pilsner” in the Czech Republic, for example, is a protected geographic indication for a particular beer. In the United States, the word is more broadly used to indicate a process for making a particular style of beer.

One current proposal for deal- ing with geographic indication is to expand the “those shall not use” list under TRIPS to include beer, cheese, tobacco and chocolate (among others) for which exclu- sive rights would be granted to the “home” indication. With the popularity of home-grown varia- tions, including microbrewing, it is doubtful the U.S. would agree to any such lists.

For other countries, particularly Italy and other EU members, geo- graphic indications remain strongly protected locally.

In the United States, however, so long as producers are honest about the true source of produc- tion of their goods (Chicago Parm- ma ham, for example), Shake- speare’s view on differently named roses remains a viable option for U.S. producers.

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