Journal of Intellectual Property Studies
Vol. II, January 2018, pp. 8-29

INTELLECTUAL PROPERTY PROTECTION FOR FAME, LUXURY, WINES AND SPIRITS: *LEX SPECIALIS* FOR A CORPORATE "*DOLCE VITA*"?

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I. INTRODUCTION

In this Article, I consider two exceptions to the *leges generales* ('general provisions') of Intellectual Property law governing the protection of trademarks and geographical indications of origin ('GIs'). In particular, I consider the *leges speciales*, (i.e.) general provisions, that have been introduced with respect to two specific subject matters by the Agreement on Trade Related Aspects of Intellectual Property Rights ('TRIPS'): anti-dilution protection for well-known marks, as provided in Article 16.3,[1] and anti-usurpation protection for GIs identifying wines and spirits, as provided in Article 23.[2] This latter protection could be extended to other GIs as part of the built-in agenda introduced by TRIPS.[3] In both cases, these *leges speciales* enhance the protection granted, respectively, to well-known marks and GIs identifying wines and spirits, beyond the protection granted to marks and GIs in general (which is limited to acts that could amount to confuse and mislead consumers in the marketplace.)

Based upon this analysis, I explore whether these *leges speciales* should be viewed merely as an additional example of the growing pressure in favor of enhanced protection that has characterized Intellectual Property debate in the past decades, or whether Articles 16.3 and 23 of TRIPS could be explained differently. In particular, I consider whether these *leges speciales* should be seen exclusively as tools promoting a corporate *dolce vita* (sweet life) (by allowing businesses to further exploit their well-known marks and GIs), or whether they could also be explained as the result of a *mentalité* (mentality) that aims to protect values such as 'tradition,' 'authenticity,' and 'high-quality' as an important part of the general culture of the countries and

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[1] Art. 16.3, Agreement on Trade-Related Aspects of Intellectual Property Rights. *See* Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, 1869 U.N.T.S. 299, 33 I.L.M. 1197 (1994) [hereinafter "TRIPS"], *available at* http://www.wto.org/english/docs_e/legal_e/27-trips.pdf.

[2] TRIPS, *supra* note 1, art. 23(1).

[3] *Id.* at art. 24(1).

the constituencies promoting the adoption of these provisions.[4] In Italy and France, for example, the *mentalité* of 'high-quality' constitutes an important societal value in most aspects of everyday life, including with respect to the quality of clothes, food, wine, spirits, and commercial products.

Generally, Intellectual Property scholars have looked suspiciously at these types of social value and culture-related arguments to justify Intellectual Property protection, especially enhanced protection such as that granted by the provisions at issue. Skepticism has been repeatedly expressed by academics in the Anglo-American world, who have traditionally preferred to rely on utilitarian theories based on law and economics, namely on economic incentives and market competition. In contrast, natural and moral rights traditions—the theories upon which enhanced Intellectual Property protection is often justified—have more commonly been accepted in civil law countries, particularly in continental Europe.[5] Yet, despite scholarly skepticism, social value and culture-related arguments are certainly relevant in this context. A reading of the provisions at issue as the result also of a *mentalité* aiming at protecting a culture of 'high-quality' and a 'good-quality life' including high-quality products, offers equally important insights for the debate in these areas.[6]

In particular, Articles 16.3 and 23 of TRIPS grant additional protection to signs (trademarks and GIs) that indicate the origin and quality of products that are frequently (albeit not always) known for their higher-quality compared with the type-level products that are produced in the same market sectors. The histories of many of these products demonstrate how local artisans

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[4] For a more detailed analysis with respect to GIs, *see*, Irene Calboli, *Of Markets. Culture, and* Terroir*: The Unique Economic and Culture-Related Benefits of Geographical Indications of Origin*, in RESEARCH HANDBOOK IN INTERNATIONAL INTELLECTUAL PROPERTY 433 (Daniel Gervais ed., 2015).

[5] The literature in this respect is extensive. For the purpose of this Article, *see* Barton Beebe, *Intellectual Property and the Sumptuary Code*, 123 HARV. L. REV. 809, 884–87 (2010) [hereinafter "Beebe, *Sumptuary Code*"] (positing the challenges facing a "philanthropic" use of Intellectual Property law); Kal Raustiala & Stephen R. Munzer, *The Global Struggle Over Geographic Indications,* 18 EUR. J. INT'L L. 337, 359–360 (2007) (criticizing the anti-usurpation GI protection as anticompetitive). Some authors, however, have supported a reading of Intellectual Property law based on its social function. *See*, *e.g.,* MADHAVI SUNDER, FROM GOODS TO A GOOD LIFE: INTELLECTUAL PROPERTY AND GLOBAL JUSTICE 31 (2012) (suggesting that "Intellectual Property law must adopt broader social and cultural analysis"). Other authors have taken this alternative reading further, and compared the traditional cost-benefit utilitarian analysis with a different type of analysis, particularly turning to concepts such as "happiness" and "well-beingness" to assess the objectives of Intellectual Property law. *See, e.g.*, Estelle Derclaye, *What Can Intellectual Property Law Learn from Happiness Research?*, in METHODS AND PERSPECTIVES IN INTELLECTUAL PROPERTY 177 (Graeme B. Dinwoodie ed, 2013); John Bronsteen et al., *Well-Being Analysis vs. Cost-Benefit Analysis*, 62 DUKE L. J. 1603 (2013).

[6] For a comprehensive analysis and critique of the provisions on trademark dilution and on GIs, *see* Beebe, *Sumptuary Code*, *supra* note 5, at 885.

manufactured, or grew and processed the ingredients to produce, these products with high-quality materials, attention to details, and often in limited quantities (as opposite to mass produced products). Perhaps even more relevant, many of the producers of these products met higher-quality standards not because the law imposed those standards upon them.[7] Instead, these producers generally considered, and in many instances continue to consider, high-quality as the most important feature of their products. Accordingly, they heavily invested (and often continue to invest) in the products' materials and manufacturing techniques in order to maintain a reputation of high-quality as their distinguishing product feature. Thus, the *leges speciales* at issue are certainly derived also from the desire to protect the producers of these high-quality products against unfair competition and misappropriation, and in turn to safeguard this tradition of 'high-quality.' This argument has been repeated by supporters of these provisions and remains important, particularly with respect to those producers who continue to invest in the high-quality of their products.

This Article proceeds as follows. In Part II, I briefly recount the introduction into TRIPS of anti-dilution protection as the *lex specialis* for well-known marks beyond the traditional protection granted to trademarks based on a likelihood of consumer confusion. In Part III, I survey the TRIPS provisions on GIs and, specifically, the adoption of anti-usurpation protection as *lex specialis* for GIs identifying wines and spirits. Building upon the considerations in Parts II and III, Part IV offers some observations about the reasons behind the protection established in these provisions, including non-purely economic reasons such as a 'good-quality life' *mentalité*. In this Part, I consider the potential benefits of a balanced application of these provisions. Notably, I argue that these provisions could promote a business model based on high(er) quality, including with respect to labor standards and respect for the environment. By revisiting existing controversies in these areas from the angle of a 'good-quality life' *mentalité*, we can better understand the origin and the scope of these *leges speciales.* And we can develop

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[7] For e.g., trademark law cannot force trademark owners to retain superior product quality apart from the requirement that trademarks cannot be used misleadingly, lest trademark registrations can be cancelled. Accordingly, in the United States, section 2(a) of the Lanham Act prohibits the registration of marks that are deceptive. 15 U.S.C. § 1052(a) (2000). Likewise, even though several authors have compared GIs to certification trademarks, the language of TRIPS only provides that GIs guarantee that the GI-denominated products derive their characteristics, qualities, or reputation from GI-denominated regions. In particular, the granting of GI status does not per se require compliance with high-quality production techniques, such compliance remaining a discretionary choice for the national or regional authorities (e.g., the EU). *See* TRIPS, *supra* note 1, art. 22.1. *See also* Daniel J. Gervais, *A Cognac After a Spanish Champagne? Geographical Indications as Certification Marks*, in INTELLECTUAL PROPERTY AT THE EDGE 130 (Rochelle C. Dreyfuss & Jane C. Ginsburg eds., 2014).

insights on the appropriate limits to the application of these provisions to the instances in which these provisions effectively promote a 'good-quality life' for society as a whole and not solely a corporate '*dolce vita*.'

II. INTELLECTUAL PROPERTY PROTECTION FOR FAME AND LUXURY: ANTI-DILUTION PROTECTION AS *LEX SPECIALIS* IN TRADEMARK LAW

As is well recognized by trademark scholars, starting in the early twentieth century trademark protection has been justified primarily on theories of economic efficiency and consumer protection.[8] In particular, the traditional account recites that trademarks are protected as conveyers of commercial information to the public, and prohibit only improper use of signs identical or similar to the marks by unauthorized third parties that is likely to confuse the public about the origin of the marked products.[9] Under this account, consumer protection remains the primary focus, and trademark law protects business goodwill only as a secondary concern, not *per se,* but under the frameworks of unfair competition law or the law of passing-off.[10] These limits on trademark protection have been generally justified because of the social costs that trademarks represent for market competition and, in turn, for society. Trademarks grant their owners the right to exclude other parties from using identical or similar words or symbols to identify similar goods or services for a virtually unlimited time period. This, in turn, may lead to the risk of creating an undesirable monopoly on language and other forms of expression—such as color, shapes, even sounds and gestures—should trademark protection extend to trademarks as properties *per se* rather than be limited to the protection of trademarks' 'distinctive' function, that is, the ability of trademarks to identify products in the marketplace and convey information about the origin and quality of the products.[11]

Yet, despite this traditional account, the position that trademarks constitute important business assets—often the most relevant assets of a company—has always been a *leitmotif* (recurrent theme) in the business world. In particular, trademark owners have generally resisted the idea that trademarks should be protected only insofar as the unauthorized use of

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[8] *See* William M. Landes & Richard A. Posner, *Trademark Law: An Economic Perspective*, 30 J.L. & ECON. 265, 265–66 (1987) ["*Trademark law . . . best can be explained on the hypothesis that the law is trying to promote economic efficiency.*"]; *See also* Mark A. Lemley & Mark P. McKenna, *Owning Mark(et)s,* 109 MICH. L. REV. 137 (2010); William P. Kratzke, *Normative Economic Analysis of Trademark Law*, 21 MEMPHIS St. U. L. REV. 199, 205 (1991).

[9] *See* Irene Calboli, *The Case for a Limited Protection of Trademark Merchandising*, 2011 U. ILL. L. REV. 865, 875–76 (2011) [hereinafter "Calboli, *Merchandising*"].

[10] *Id.*; *Cf.* Mark P. McKenna, *The Normative Foundations of Trademark Law,* 82 NOTRE DAME L. REV. 1839 (2007).

[11] *Id.*

identical or similar signs can confuse the public, and have repeatedly argued that trademarks should be protected also against competitors' free riding and unauthorized uses by third parties that tarnish the goodwill and reputation of their marks.[12] Throughout the decades, part of the judiciary has also supported this position.[13] Notably, common law courts originally based their jurisdiction over trademark infringers on the invasion of the property in the marks—especially in marks that consisted of new and invented terms—without the need to prove any likelihood of consumer confusion.[14] Similarly, in some civil law countries, namely the Benelux countries, the traditional standard for trademark protection has never been a likelihood of confusion, but instead the association that could be created between the senior marks and the unauthorized identical or similar signs.[15]

Still, despite the early common law decisions and the Benelux approach, courts and legislators generally subscribed to a confusion-based framework for trademark protection in the majority of jurisdictions during the course of the twentieth century. Similarly, most national legislators wrote the requirement of 'likelihood of confusion' into domestic trademark laws as the *sine qua non* for trademark protection. The Paris Convention for the Protection of Industrial Property, adopted in 1883 and revised several times between its adoption and the 1960s, included 'confusion' as one of the conditions for protection against unfair competition in Article 10*bis*, and with respect to the protection of well-known marks in Article 6*bis*.[16] The adoption of TRIPS in 1994 ultimately confirmed 'likelihood of confusion' as the general standard for trademark infringement for all member countries of the World Trade Organization ('WTO') in Article

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[12] *See* Frank I. Schechter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813, 825. (1926–1927); Schechter promoted in the United States the idea initially developed in Germany that ["*[t]he true functions . . . are, then, to identify a product as satisfactory and thereby to stimulate further purchases by the consuming public."] Id.* at 818.

[13] For a detailed reconstruction of the decisions issued by early English and America courts, *see* McKenna, *supra* note 10, at 1950-1871. For a more recent position, see Frank H. Easterbrook, *Intellectual Property is Still Property*, 13 HARV. J. L. & PUB. POL'Y 108, 118 (1990). According to Judge Easterbrook, [*"we should treat intellectual and physical property identically in the law."*]; *Id.*

[14] *See* Edward S. Rogers, *Comments on the Modern Law of Unfair Trade*, 3 U. ILL. L. REV. 551, 552–54 (1909) (offering a detailed analysis of relevant decisions until the early 1900s); *See also*, *Trade-Mark Cases*, 100 U.S. 82 (1879), the Supreme Court also referred to the right to use a mark as "a property right."; *Id.,* at 92.

[15] The former Benelux Trade Mark Act of 1971 provided, in Article 13, that [*"the proprietor of a mark may, by virtue of his exclusive right, oppose*"] the following acts: ["*1. Any use made of the mark or of a like symbol for the goods or services in respect of which the mark is registered, or for similar goods or services*"] and ["*2. Any other use, in economic intercourse, of the mark or of a like symbol made without a valid reason under circumstances likely to be prejudicial to the proprietor of the mark.*"] Benelux Trade Mark Act, Trb. 1962, 58 arts. 13-Al and 2.

[16] *See* arts. 10*bis*, 6*bis* of the Paris Convention for the Protection of Industrial Property, Mar. 20, 1883, 21 U.S.T. 1583, 828 U.N.T.S. 305, *available at* http://www.wipo.int/clea/docs/en/wo/wo020en.htm [hereinafter "Paris Convention"]. Still, the Paris Convention did not directly mention the wording "likelihood of confusion" as the general standard for trademark infringement for registered marks.

16.1.[17]

Regardless of the acceptance of 'likelihood of confusion' as the legal standard for trademark protection, however, the pressure to directly protect trademarks *per se* never left trademark practice. Trademark owners continued to use marks as 'things'[18] throughout the decades, either because of a 'widespread ignorance' of the law or by 'making the most of [its] exceptions.'[19] In addition, in the early twentieth century, prominent practitioners started to support the position that the function of a trademark was not just that of distinguishing goods and services, but also to attract consumers by relying on the distinctiveness and uniqueness of a mark. In particular, in the United States, Frank Schechter elaborated the theory (imported and 'adapted' from Germany) of trademark dilution. Under this theory, trademarks ought to be protected against the dilution, that is, the 'whittling away,' of their uniqueness and distinctiveness.[20] In this context, well-known marks were seen as the category of marks more vulnerable to suffer harm from the loss of their uniqueness and 'attractive power,' and thus deserving anti-dilution protection.

In 1925, the pressure for additional protection for well-known marks also brought the international community to accept the special status of well-known marks as part of the Hague Revision of the Paris Convention. In this forum, member countries of the Paris Convention adopted Article 6*bis*, which mandates that members should refuse or cancel the registration, or prohibit the use of any mark that "*constitute[s] a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well-known in that country*."[21] Certainly an important victory in favor of

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[17] TRIPS, *supra* note 1, art. 16.1. Article 16.1 recites that [*"[t]he owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion."*] *Id*.

[18] *See, e.g.,* Mark A. Lemley, The *Modern Lanham Act and the Death of Common Sense*, 108 YALE L.J. 1687, 1687–88 (1999).

[19] Nathan Isaacs, *Traffic in Trade-Symbols*, 44 HARV. L. REV. 1210, 1210 (1931).

[20] *See* Schechter, *supra* note 12, at 818. By importing into the United States an idea originally developed in Germany, Schechter developed the theory that [*"[t]he true functions of the trademark are . . . to identify a product as satisfactory and thereby to stimulate further purchases by the consuming public*."] *Id.* For critical overview of the origin of the anti-dilution theory, *see* Barton Beebe, *The Suppressed Misappropriation Origins of Trademark Anti-Dilution Law: the Landgericht Elberfeld's Odol Opinion and Frank Schechter's* The Rational Basis of Trademark Protection, in INTELLECTUAL PROPERTY AT THE EDGE 59 (Rochelle C. Dreyfuss & Jane C. Ginsburg eds., 2014).

[21] Art. 6*bis*, Paris Convention.The provision was introduced during the Convention's revision at The Hague Conference on November 6, 1925. The request for cancellation s a five years from the date of the registration, whereas no time limit applies in the cases in which the registration was filed, or the mark was used, in bad faith.

the recognition of a separate status for well-known marks, the adoption of Article 6*bis* nevertheless continued to be linked to the requirement of consumer confusion between the well-known marks and the infringing signs.

As a result, trademark owners continued to lobby for additional protection against the dilution of the distinctive power of their marks regardless of the existence of consumer confusion.[22] The legislative history of the 1946 United States Trademark Act ('Lanham Act') shows, for example, that anti-dilution proposals were introduced in the some of the drafts of the statute, but were ultimately rejected in the final version of the 1946 Act. Still, some U.S. states succumbed to the pressure of the business world and enacted state-wide variations of anti-dilution protection.[23] Trademark owners also continued to pressure lawmakers in the United States into recognizing anti-dilution protection at the federal level. The same was true in some European countries and at the international level. Throughout the decades, the pressure for enhanced trademark protection continued to grow, also due to economic changes in product manufacturing and distribution, a growing and interconnected international marketplace, the widespread use of licensing agreements, and the rise of trademark merchandising as an important vehicle for additional profits (royalties) for trademark owners.[24]

Eventually, in 1994, trademark owners succeeded in their plea with the adoption of Article 16.3 of TRIPS, which introduced anti-dilution protection at the international level.[25] In particular, the final language of Article 16.3 of TRIPS expanded the reach of Article 6*bis* of the Paris Convention beyond similar goods and services. More relevantly, the provision no longer required a likelihood of consumer confusion as the basis for trademark protection of well-known marks under the circumstances indicated under Article 16.3. Instead, the provision recites that protection for well-known marks now requires prohibiting the use or the

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See Marshall A. Leaffer, *Protection of Well-Known Marks: A Transnational Perspective*, in TRADEMARK PROTECTION AND TERRITORIALITY CHALLENGES 18 (Irene Calboli & Edward Lee eds. 2014).

[22] *See, e.g.,* Schechter, *supra* note 12, at 825–26; *See also* Rudolph Callmann, *He Who Reaps Where He Has Not Sown: Unjust Enrichment in the Law of Unfair Competition*, 55 HARV. L. R. 595 (1942).

[23] *See* Walter J. Derenberg, *Dilution and the Antidilution Statutes*, 44 CALIF. L. REV. 439, 449 (1956). Schechter himself drafted one of the proposals, the Perkins Bill, in 1932, which included protecting ["*coined or invented or fanciful or arbitrary mark[s]*"] against uses that could ["*injure the good will, reputation, business, credit or securities of the owner of the previously used trademark[s].*"] *Id*. (citing H.R. 11592, 72d Cong. (1st Sess. 1932)).

[24] *See*, *e.g.*, Calboli, *Merchandising*, *supra* note 9, at 877–880.

[25] *See, e.g.*, DANIEL GERVAIS, THE TRIPS AGREEMENT: DRAFTING HISTORY AND ANALYSIS 108–111 (1998). Not all authors agree, however, that art. 16.3 of TRIPS mandates the introduction of anti-dilution protection as a requirement under TRIPS. *See* Paul J. Heald, *Trademarks and Geographical Indications: Exploring the Contours of the Trips Agreement*, 29 VAND. J. TRANSNAT'L L. 635 (1996) (stating that anti-dilution protection is not a requirement under Article 16.3 of TRIPs).

registration of identical or similar signs with respect to any goods or services when such use or registration would indicate a connection with existing well-known marks and "*provided that the interests of the owners of the registered trademark[s] are likely to be damaged by such use*."[26] The adoption of Article 16.3 of TRIPS followed the introduction of a similar provision in the European Trademark Directive in 1988.[27] The European provision was derived from the trademark provisions in the Benelux and was largely implemented by the EU Member States (even though the implementation of the provision was optional).

As a result of Article 16.3 of TRIPS, most countries worldwide had now to implement anti-dilution protection as the *lex specialis* protecting well-known marks into their national laws[28]—including those countries that were not in favor of anti-dilution protection before the adoption of TRIPS. The adoption of the provision, and the resulting changes that had to be introduced into the national trademark laws, nonetheless met with criticisms.[29] Several scholars voiced their discontent with the new standard and emphasized that anti-dilution protection departs from the pro-consumer and pro-competitive objectives of trademark law in favor of protecting corporate interests directly.[30] Two decades after the adoption of TRIPS, the anti-dilution *lex specialis* for well-known marks continues to be controversial.[31] In Part IV, I acknowledge that several of the arguments that have been raised against anti-dilution

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[26] TRIPS, *supra* note 1, art. 16.3. In 1999, the World Intellectual Property Organization issued a *Joint Recommendation on the Protection of Well-Known Marks* in order to provide guidelines for the factors that should be taken into account when defining a mark as well-known. *See* World Intellectual Property Organization [WIPO], *Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks*, WIPO Doc. 833(E) (Sept. 29, 1999), *available at* http://www.wipo.int/about-ip/en/development_iplaw/pub833.htm.

[27] Art. 5(2), Council Directive 89/104, 1989 O.J. (L 40) 1 (EEC), now replaced by European Parliament and Council Directive 2008/95, 2008 O.J. (L 299) 25 (EC) [hereinafter EU Trademark Directive]. Art. 5(2) is based on art. 13A(2) of the old Uniform Benelux Law. *See* Commission of the European Communities, *Memorandum on the Creation of an EEC Trade Mark*, SEC (76) 2462, BULLETIN OF THE EUROPEAN COMMUNITIES (July 6, 1976), reprinted in 7 INT'L REV. INTELL. PROP. & COMPETITION L. 367 (1976); *See also* Peter Prescott, *Has the Benelux Law Been Written into the Directive?*, 3 EUR. INTELL. PROP. REV. 99 (1997).

[28] *See* Frederick W. Mostert, FAMOUS AND WELL-KNOWN MARKS: AN INTERNATIONAL ANALYSIS (1997).

[29] *See* Kenneth L. Port, *The "Unnatural" Expansion of Trademark Rights: Is a Federal Dilution Statute Necessary?*, 85 TRADEMARK REP. 525, 552–59 (1995). For an overview of the criticisms in the United States, see the various contributions published in 24/3 SANTA CLARA COMPUTER & HIGH TECH. L.J. (2007); *See also* Ilanah Simon Fhima, TRADE MARK DILUTION IN THE UNITED STATES AND EUROPEAN UNION (2011).

[30] Some authors compared the adoption of trademark dilution with the introduction of an unwanted and unnecessary "moral" right into trademark law. *See, e.g.*, Sandra L. Rierson, *The Myth and Reality of Dilution*, 11 DUKE L. & TECH. REV. 212 (2012); Laura Bradford, *Emotion, Dilution, and the Trademark Consumer*, 23 BERKELEY TECH. L.J. 1227 (2008).

[31] The current controversies have primarily focused on the interpretation of the (statutory or judicial) factors to assess dilution and on the availability of defenses. Some authors, however, continue to question the acceptability of anti-dilution protection as an additional cause of action besides trademark infringement. *See, e.g.,* Barton Beebe, *The Continuing Debacle of U.S. Antidilution Law: Evidence from the First Year of Trademark Dilution Revision Act Case Law*, 24 SANTA CLARA COMPUTER & HIGH TECH. L.J. 449 (2008).

protection are well founded. However, I also consider the role of the above mentioned 'high-quality' *mentalité*, and posit whether this protection could be justified, in some cases, as a tool to prevent the misappropriation of marks identifying products of high quality, and thus as a tool to promote a culture of high quality in manufacturing in general.[32]

III. INTELLECTUAL PROPERTY PROTECTION FOR WINES AND SPIRITS: ANTI-USURPATION PROTECTION AS *LEX SPECIALIS* FOR GEOGRAPHICAL INDICATIONS OF ORIGIN

Another area in which enhanced protection is granted to commercial indicators via a *lex specialis* is the area of GIs—namely with respect to geographical terms that identify wines and spirits.[33] As I elaborate below, this *lex specialis* extends anti-usurpation protection to the GIs at issue regardless of the existence of any consumer confusion or unfair competition. Historically, this enhanced type of protection started as a limited affair under the auspices of the Madrid Agreement for the Repression of False and Deceptive Indications of Source on Goods ('Madrid Agreement'), which for the first time provided added protection to the indications of the geographical source for wines.[34] A similar type of protection was later introduced into TRIPS for GIs identifying wines and spirits.[35]

Generally, the adoption of TRIPS marked a milestone in advancing the GI protection agenda. As parties to TRIPS and member countries of the WTO, the majority of countries worldwide had to implement the 'legal means' to prevent the use of GIs that "*mislead the public as to the geographical origin of the goods*," or that "*constitute an act of unfair competition within the meaning of Article 10bis of the Paris Convention*" under the rule of Article 22.[36] Article 22 also required that WTO member countries "*refuse or invalidate the registration of a trademark which contains or consists of a geographical indication with respect to goods not originating in the territory indicated*" when the use of the GI "*Is of such a nature as to mislead the public as to the true place of origin*."[37]

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[32] *See* discussion *infra* Part IV.

[33] TRIPS, *supra* note 1, art. 23(1).

[34] Art. 4, Madrid Agreement for the Repression of False and Deceptive Indications of Source, Apr. 14, 1891, 828 U.N.T.S. 168, *available at* http://www.wipo.int/clea/docs/en/wo/wo032en.htm.

[35] TRIPS, *supra* note 1, art. 23.

[36] TRIPS, *supra* note 1, art. 22.2(b).

[37] *Id.*; Art. 22.2(a). TRIPS did not mandate any specific means to implement GI protection, leaving TRIPS members free to adopt the means that best suited their respective legal systems. *See* Dev Gangjee, *Quibbling Siblings: Conflicts Between Trademarks and Geographic Indications,* 82 CHI.- KENT L. REV. 1253, 1256–9 (2007) (recounting the scholarly discussion over the possibility to protect GIs under trademark law).

Besides this general protection, WTO member countries agreed on enhanced protection, a *lex specialis* under Article 23, for GIs identifying wines and spirits. The fact that countries from both the 'old world' and 'new world' camps had, and have, considerable interests in the wine and spirits business undoubtedly contributed to the double standard created between general GIs and GIs related to wines and spirits under TRIPS.[38] In particular, Article 23 prohibits the use of terms that are similar or identical to GIs identifying wines and spirits when the products do not "*originat[e] in the place indicated by the geographical indication,*" including when "*the true origin of the goods is indicated or the [GI] is used in translation or accompanied by expression such as 'kind', 'type', 'style', 'imitation', or the like.*"[39] Article 23 additionally states that member countries may refuse or invalidate trademark registrations containing or consisting of GIs identifying wines or spirits.[40]

Despite this anti-usurpation protection, however, GIs identifying wines and spirits remain subject to the general exceptions provided under Article 24 of TRIPS. Specifically, Article 24 grandfathers existing trademark rights with names similar or identical to GIs that were in use, or had been registered in good faith before the date of the implementation of TRIPS in the member country where the mark was registered, or before the GI was protected in its country of origin.[41] In addition, member countries are not obliged to "*prevent continued and similar use of a particular [GI] of another Member identifying wines or spirits in connection with goods and services*" where the GI has been used "*in a continued manner with the same or related goods or services*" in the territory of that country for at least ten years prior to April 15, 1994 (the date of the adoption of TRIPS), or where this continuous use has been in good faith.[42] Finally, Article 24 provides that the terms that have become generic in a given TRIPS member country can continue to be used as such in the territory of that country.[43] The ongoing disputes over the use of terms like 'champagne,' 'chablis,' 'cognac,' and so forth between European and North American countries are relevant examples of the impact of this exception and likely the reason behind the adoption of this provision.

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[38] TRIPS, *supra* note 1, art. 23.1.

[39] *Id.*

[40] *Id.*, art. 23.2.

[41] *Id.*, art. 24.5.

[42] *Id.*, art. 24.4.

[43] TRIPS, *supra* note 1, art. 24.6.

In addition to establishing anti-usurpation protection for GIs for wines and spirits, TRIPS provided a built-in agenda for future GI negotiations. Article 23 requires, in particular, that member countries agree to enter future negotiations in order to establish a multilateral system of notification and registration of GIs for wines and spirits, which would facilitate their enforcement and prevent their illegal use.[44] Similarly, beyond the domain of wines and spirits, Article 24 of TRIPS mandates that member countries agree to engage in future negotiations in order to extend the anti-usurpation protection granted to GIs for wines and spirits to all GIs.[45]

In an attempt to promote discussion on these topics, and advance the TRIPS built-in agenda, the debate on GIs protection was included in the list of issues to be addressed by the Doha Ministerial Declaration as part of the Doha "Development" Round of WTO negotiations in 2001.[46] In particular, the Doha mandate included creating a multilateral register for wines and spirits (and possibly for all GIs), and extending anti-usurpation protection beyond GIs for just wines and spirits.[47] Perhaps an overly ambitious objective, both issues were supposed to be debated, and resolved, by the end of 2003. But when national delegations met in Cancun in 2003, they could not reach an agreement.[48] Moreover, the negotiations collapsed and no significant progress was made in order to pave the way for the multilateral registry and extending anti-usurpation protection beyond GIs for wines and spirits. As of today, this impasse continues at the multilateral level,[49] and countries have discussed issues related to GIs primarily within the framework of individual free trade agreements ('FTAs').[50] In these fora,

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[44] *Id.*, art. 23(4); *See also* Justin M. Waggoner, *Acquiring A European Taste for Geographical Indications*, 33 BROOK. J. INT'L L. 569, 578 (2008).

[45] TRIPS, *supra* note 1, art. 24(1).

[46] *See* Ministerial Declaration, WTO document WT/MIN(01)/DEC/1, adopted in Doha, Qatar, November 14, 2001 [hereinafter "Doha Declaration"]; *See also* the consolidated statement by Cristophe Geiger et al., , *Towards a Flexible International Framework for the Protection of Geographical Indications*, 1 WIPO JOURNAL 147, 157–58 (2010).

[47] Doha Declaration, *supra* note 46.

[48] Details about the WTO negotiations in Cancun, *available at* http://www.wto.org/english/ tratop_e/trips_e/gi_background _e.htm.

[49] In 2011, the Director General of the World Trade Organization (WTO) reported that WTO Members' positions on GIs continued to diverge. *See* WTO, Document No. TN/C/W/61, 21 April 2011, *available at* http://www.wto.org/english/tratop_e/trips_e/ art27_3b_e.htm.

[50] *See* Intellectual Property Chapter of recently concluded FTA between the European Union (EU) and Singapore. Articles 11.16–11.23, DRAFT EU-Singapore FTA, September 2013, Chapter 11, Intellectual Property, *available at* http://trade.ec.europa.eu/doclib/docs/2013/september/tradoc_151761.pdf (providing extensive protection for GIs, including the creation of domestic registries in the members of the FTA). *Cf*. art. QQ.D.1–13, Trans-Pacific Partnership, Intellectual Property [Rights] Chapter, Consolidated Text (May 16, 2014), *available at* https://www.wikileaks.org/tpp-ip2/. The TPP is currently being negotiated between Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, Vietnam, and the United States.

both camps have been able to reach some modest success in advancing a compromise position on GI protection, yet controversy has continued to dominate the debate.[51]

Not surprisingly, the recognition of GI protection and the adoption of a *lex specialis* anti-usurpation for GIs for wines and spirits were greeted with mixed reactions by member countries.[52] Supporters of GIs hailed the provisions as much-needed recognition of an important type of right that is necessary to protect and promote GI-denominated products. In this respect, they repeatedly highlighted the unique communicative function that GIs perform in the marketplace, and advocated the reopening of GI negotiations in order to adopt the multilateral registry mentioned in Article 23, and extend anti-usurpation protection for all GIs. Supporters of GIs also repeatedly stressed that GIs play a fundamental role as promoters and guarantees of the quality of the GI-denominated products because of the specific characteristics of the territory where the products are grown or manufactured, characteristics that, in their whole, cannot be replicated elsewhere.[53]

Against these arguments, however, opponents of GI protection repeated that GIs do not encourage and reward innovation, but instead promote tradition and conformity within a very specific geographical region; thus they are essentially an impediment to progress,[54] and are anti-competitive, particularly when they offer anti-usurpation protection beyond needed to avoid consumer confusion and deception.[55] Opponents of GIs also objected to international

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[51] *See, e.g.*, the Agreement Between the United States and the European Community on Trade in Wine, U.S.- E.C., Mar. 10, 2006, *available at* http://www.ttb.gov/agreements/us_ec_wine_agreement.shtml (allowing the sale in the EU of wines produced in the US with methods not permitted otherwise in the EU in exchange to "seeking to change the legal status" of several quasi-generic wine-related indications). Art. 6.1 of the Agreements establishes the terms of the US commitment, which is detailed in Industry Circular No. 2006-1, M. 10, 2006, *available at* http://www.ttb.gov/industry_circulars/archives/2006/06-01.html. Similarly, in March 2014, as part of the ongoing trade negotiations between the United States and the EU, the EU requested that the US cease to use names of cheeses that are protected by GIs in Europe but are considered generic in the US. *See Europe Starts Food Fight with U.S. over Cheese Names*, L.A. TIMES, March 12, 2014, *available at* http://www.latimes.com/business/la-fi-eu-cheese-fight-20140312 ,0,1938455.story#axzz2wViO7JJK.

[52] For a detailed analysis of debate on GIs, *see* Dev Gangjee, RELOCATING THE LAW OF GEOGRAPHICAL INDICATIONS (2012).

[53] *See, e.g.,* Michelle Agdomar, *Removing the Greek From Feta and Adding Korbel to Champagne: The Paradox of Geographical Indications in International Law*, 18 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 541 (2008). *See also* Irene Calboli, *Expanding the Protection of Geographical Indications of Origin Under TRIPS' "Old" Debate or "New" Opportunity?*, 10 MARQ. INTELL. PROP. L. REV. 181, 184 (2006) [hereinafter "Calboli, *Expanding Protection*"].

[54] *See*, *e.g.*, Raustiala & Munzer, *supra* note 5, at 359–360*; Cf.* Dwijen Rangnekar, *The Socio-Economics of Geographical Indications: A Review of Empirical Evidence from Europe*, UNCTAD-ICTSD Project on IPRs and Sustainable Development, 15, May 2004, *available at* http://ictsd.org/i/publications/12218/?view=document [hereinafter "Rangnekar, *Socio-Economics of GIs*"].

[55] *See* Raustiala & Munzer, *supra* note 5, at 352–59.

negotiations regarding the creation of a multinational register for wines and spirits and the possibility of expanding GI protection to the anti-usurpation level for all GIs.[56] In particular, they raised the argument—used also against anti-dilution protection in the domain of trademarks—that protection against consumer confusion, the current general standard under Article 22 of TRIPS, is sufficient and any added protection would simply become a subsidy and a marketing tool in favor of GI-denominated products and regions against other producers of the type-level products, and in turn against market competition.[57] In Part IV, I agree with several of these criticisms. In particular, I criticize the definition of GIs offered by Article 22 of TRIPS, according to which GIs are "*indications which identify a good as originating in [a] territory*" in which "*a given quality, reputation or other characteristic of the good is essentially [but not necessarily exclusively] attributable to its geographical origin,*"[58] Still, I support extending anti-usurpation protection to all GIs when GI-denominated products originate exclusively from the GI-denominated region. In these instances, this protection could benefits local and rural development as well as promote the conservation of local culture. Also in this area, understanding the role of the 'high-quality' *mentalité*, according to which 'good quality' products are an important societal value, is important to fully grasp the complexity of the GI debate and the related controversies.[59]

IV. INTELLECTUAL PROPERTY LAW AS *LEX SPECIALIS* FOR A CORPORATE "DOLCE VITA" OR FOR A "GOOD-QUALITY LIFE"?

As I mentioned above, the introduction of Articles 16.3 and 23 into the final text of TRIPS was met both with opposition and cheers by different constituencies. In general, I agree that the introduction of these provisions derived, to a large extent, from the pressure to extend exclusive rights in, respectively, well-known marks and GIs and to maximize their marketing value. These provisions, however, also originate in a *mentalité* that values 'high quality' as an

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[56] For an overview of these arguments, *see* Felix Addor & Alexandra Grazioli, *Geographical Indications Beyond Wines and Spirits – A Roadmap for a Better Protection for Geographical Indications in the WTO TRIPS Agreement*, 5 J. WORLD INTELL. PROP. 865, 867 (2002). *But see* Steven A. Bowers, *Location, Location, Location: The Case Against Extending Geographical Indication Protection Under the TRIPS Agreement*, 31 AIPLA Q.J. 129, 140 (2003).

[57] *See* Raustiala & Munzer, *supra* note 5, at 351; *But see* Marco Ricolfi, *Geographical Symbols in Intellectual Property Law*, *in* SCHUTZ VON KREATIVITÄT UND WETTBEWERB 242 (Reto M. Hilty et al. eds., 2009).

[58] TRIPS, *supra* note 1, art. 22(1). Similarly, WIPO defines GIs as "sign[s] used on goods that have a specific geographical origin and possess qualities, reputation or characteristics that are essentially attributable to that origin." WIPO, *Overview of Geographical Indications*, *available at* http://www.wipo.int/geo_indications/en/ (last visited March 21, 2014).

[59] *See* discussion *infra* Part IV.

important societal value—a value that should be defended with appropriate legal means according to the supporters of these provisions. In this Part, I suggest that the debate over anti-dilution protection for trademarks and anti-usurpation protection for GIs cannot be grasped in its entirety without considering this *mentalité*. Despite criticisms of it, acknowledging this *mentalité* remains crucial to fully understand, in the correct historical, social, and national context, the importance placed by the supporters of these enhanced protections on concepts such as 'authenticity' and 'tradition.' In particular, these concepts embody equally important societal values that deserve to be protected as a matter of public policy compared to concepts such as 'innovation' and 'competition,' the value traditionally at the basis of Intellectual Property protection in the Anglo-American world.

As I indicated above, scholars have criticized the introduction of anti-dilution protection into trademark law, stressing that the justification for such protection rests on the assumption that trademarks deserve to be protected as business assets rather than as indicators of commercial origin and product quality.[60] Moreover, scholars have noted that anti-dilution protection was adopted in order to safeguard "*the uniqueness or individuality of [famous] trademark[s]*,"[61] thus their 'singularity,'[62] against the unauthorized use "*upon either related or non-related goods*."[63] Yet, well-known trademark owners frequently do not hesitate to 'self-dilute' the uniqueness of their well-known trademarks with brand extensions on a large variety of (often unrelated and mass-marketed) products, from which they capture lucrative royalties.[64] Accordingly, scholars have pointed out that anti-dilution protection is no longer protecting trademark uniqueness, but rather the ability to extract value from the use of these marks on related or unrelated products.[65] Similarly, scholars have pointed out that anti-dilution protection is frequently used as a tool to protect well-known marks as symbols *per se*, and in turn as symbols of (desired)

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[60] *See*, e.g., Laura Bradford, *Emotion, Dilution, and the Trademark Consumer*, 23 BERKELEY TECH. L.J. 1227 (2008); Clarissa Long, *Dilution*, 106 COLUM. L. REV. 1029 (2006).

[61] Schechter, *supra* note 12, at 825. "[D]ilution is the 'destruction of the uniqueness of a mark by its use on other goods.' *Ibid.* at 823.

[62] *Id.* at 831.

[63] *Id.*

[64] *See* Sara Stadler Nelson, *The Wages of Ubiquity in Trademark Law*, 88 IOWA L. REV. 731, 791–92, 798–99 (2003); Elizabeth C. Bannon, *The Growing Risk of Self-Dilution*, 82 TRADEMARK REP. 570 (1992).

[65] *Id.*

social status and (presumed) wealth, a value that not should be protected as a matter of public policy.[66]

These criticisms are certainly on point with respect to many trademarks that are today used on every imaginable product—from smartphone covers, to key chains, sunglasses, and so forth. But not all well-known trademarks' owners engage in this type of 'value extracting' brand extensions, and embrace a mentality in which more profits become an equally relevant, or even more relevant, factor than the high quality of their products. This mentality (pun intended) certainly dominates among large companies, multinational corporations, and investment funds, for which the most important business objective seems to have become high profits at all costs, and thus larger volumes of sales to often unknown consumers worldwide.[67] In contrast, some small, mid-size, and at times also larger companies, continue to follow a tradition of high quality, perhaps less quantity, and personalized attention to consumers—the same tradition that made their products, and their marks, well-known in the first place.[68] The argument could be made that anti-dilution protection could be justified in the instances where such protection could promote the ability of these businesses to signal the higher quality of their products—in terms of materials, style, and techniques used in making these products.

In particular, should the owners of these well-known marks not able to prevent free riders from making subpar, yet non-confusing, similar products or from using similar marks for unrelated products, these subpar or unrelated products could ultimately impact the ability of these producers to signal the higher-than-average quality of their products. In turn, this could

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[66] This non-functional and status-signaling effect of trademarks has been generally explained by recalling people's desire to signal wealth and social status "by conspicuous consumption." This effect is traditionally called the "Veblen effect" after American economist and sociologist Thorstein Veblen. *See* Thorstein Veblen, THE THEORY OF THE LEISURE CLASS (Houghton Mifflin 1973) (1899). *See also* Laurie Simon Bagwell & B. Douglas Bernheim, *Veblen Effects in a Theory of Conspicuous Consumption*, 86 AM. ECON. REV. 349 (1996). For additional criticism, *see* Jeremy N. Sheff, *Veblen Brands*, 96 MINN. L. REV. 769, 794 (2012); Jeffrey L. Harrison, *Trademark Law and Status Signaling: Tattoos for the Privileged*, 58 FLA. L. REV. 195, 210–26 (2007); Glynn S. Lunney, Jr., *Trademark Monopolies*, 48 EMORY L.J. 367, 404–08 (1999).

[67] *See* Michael J. Silverstein & Neil Fiske, *Luxury for the Masses*, HARV. BUS. REV., Apr. 2003, at 48; *See also* Erin Shea, *54pc of Affluent Consumers Think Luxury Brands are Lowering Quality Standards: Ipsos*, LUXURY DAILY (May 2, 2013), *available at* http://www.luxurydaily.com/54pc-of-affluent-consumers-say-luxury-brands-lowered-quality-standards-ipsos/.

[68] Some of these companies are famous world-wide, such as Bruno Magli, a company known for the high quality of its footwear that are manufactured with meticulous detail and sold in company stores or in high-scale retailers. Others are niche-famous—like the luxury handbag designer Maddalena Marconi in my native Bologna. In general on the difference between mass-luxury and importance of high quality and uniqueness see Jean-Noël Kapferer, *Why Luxury Should not Delocalize-A Critique of a Growing Tendency*, March-April, EUROPEAN BUSINESS REVIEW 28 (2012); Lucien Karpik, VALUING THE UNIQUE : THE ECONOMICS OF SINGULARITIES (2010).

deter these producers from investing in product quality, or could drive them out of the market, especially in the case of small businesses. In fact, courts in both the U.S and the E.U. have provided anti-dilution protection to mark owners to protect the quality of the product. In *Rolex Watch U.S.A. v. Canner*,[69] the US court held that there was no likelihood of confusion as a rational buyer would not be misled to believe that a twenty-five dollar counterfeit Rolex watch available at a flea market was a true Rolex; but consumers would be discouraged from buying real Rolex watches if poor quality counterfeit watches become readily available, as the items would then become too common place and no longer possess the prestige once associated with them thus diluting Rolex's prestigious image. Even when goods are dissimilar, as in *Steinway & Sons*,[70] the mere fact that consumers would be inclined to associate the inexpensive, mass-produced products of the defendant with the high-end musical instrument company, was said to dilute the reputation of Steinway & Sons as the infringing product was incompatible with the quality and prestige attached with the well-known mark. Further, the European Court of Justice has also reiterated this quality consideration of luxury goods in *Christian Dior*[71] wherein it stated that the quality of luxury goods is not just the result of their material characteristics, but also of the allure and prestigious image which bestows on them an aura of luxury. Therefore, "*an impairment to that aura of luxury is likely to affect the actual quality of those goods*"[72] and this necessitates the specific anti-dilution protection.

In these instances, anti-dilution protection could fulfill a valuable social function as an incentive for these producers to maintain a high product quality, which could promote a culture of high product quality for competitors (in order to compete) and for the market in general—in other words, a race to the top in terms of high-quality products.[73] This race for high quality could have multiple positive effects for society, as products of high(er) quality are frequently made with higher health, labor, and environment related standards compared to

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[69] Rolex Watch U.S.A. v. Canner, [645 F. Supp. 484, 492 (S.D. Fla. 1986)].
[70] Steinway & Sons v. Robert Demars & Friends, [210 U.S.P.Q. 954 (C.D.Cal. 1981)].
[71] Copad v. Christian Dior Couture, [(Case C-59/08) [2009] ETMR 683 24 26] .
[72] *Id.*
[73] This argument has been highlighted by distinguished scholars. *See* Edward S. Rogers, *The Lanham Act and the Social Function of Trademarks*, 14 LAW & CONTEMP. PROBS. 173, 175 (1949) (arguing that without trademarks, ["*[t]here could be no pride of workmanship, no credit for good quality, no responsibility for bad.*"]; William M. Landes & Richard A. Posner, THE ECONOMIC STRUCTURE OF INTELLECTUAL PROPERTY LAW 168, 179 (2003) ["*[A] firm with a valuable trademark will be reluctant to lower the quality of its brand because it would suffer a capital loss on its investment in the trademark.....[L]egal protection of trademarks encourages the production of higher-quality products*"].

mass-produced lower quality products.[74] As a result, promoting and protecting high-quality products with anti-dilution provisions could bring additional benefits in terms of healthier and fairer production standards in general as a matter of public policy.[75]

A similar set of considerations applies to the debate on the *lex specialis* for GI protection. Criticisms similar to those against anti-dilution protection have been repeated, to a large extent, also with respect to anti-usurpation protection for GIs. In particular, opponents of this protection have argued that the overarching purpose of Intellectual Property rights is to incentivize innovation on a fixed term basis, which in turn cannot justify perpetual rewards for creation, such as the protection granted with GIs. They have also repeated that protection against consumer confusion is adequate to provide sufficient market incentives to GI-denominated products—additional protection unnecessarily restricts market competition and ultimately is a subsidy and a tool to protect local markets.[76] As I indicated in Part III, this critique is particularly on point for GIs identifying products that are not exclusively made in the GI-denominated region.[77] Notably, as I have argued before, anti-usurpation protection (and GI protection in general) is certainly questionable when GI-denominated products do not effectively and exclusively derive from the GI-denominated regions. In these instances, GIs cannot fulfill their function of providing consumers accurate information regarding the GI-denominated products and can lead, in turn, to giving consumers misleading information about the actual origin of the products, or their ingredients.

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[74] In this respect, recent years have seen the arrival of, *inter alia*, the movement of "slow fashion" whose primary purpose is to raise awareness about the negative externalities of low quality products in the fashion industry. *See* Elizabeth Cline, OVERDRESSED: THE SHOCKINGLY HIGH COST OF CHEAP FASHION (2013); KATE FLETCHER & LYNDA GROSE, FASHION AND SUSTAINABILITY: DESIGN FOR CHANGE (2012). *See also* Jean-Noël Kapferer, *All That Glitters is Not Green: The Challenge of Sustainable Luxury,* Nov./Dec. EUR. BUS. REV. 40 (2010); Annamma Joy et al., *Fast Fashion, Sustainability, and the Ethical Appeal of Luxury Brands*, 16 FASHION THEORY 273 (2012). ["*Luxury brands can become the leaders in sustainability because of their emphasis on artisanal quality*."]; *Id*. at 291.

[75] Should these marks not be protected against dilution, their function of signaling reliable positive messages about the health, labor, and environment-related standards that they use could be also impaired. *See* Stephanie Clifford, *Some Retailers Reveal Where And How That T-Shirt Is Made*, N.Y. TIMES, May 9, 2013, at A1; Annamma Joy et al., *Fast Fashion, Sustainability, and the Ethical Appeal of Luxury Brands*, 16 FASHION THEORY 273, 291 (2012) [*"Luxury brands can become the leaders in sustainability because of their emphasis on artisanal quality."*]; Kirsi Niinimäki, *Eco-Clothing, Consumer Identity and Ideology*, 18 SUSTAINABLE DEVELOPMENT 150 (2010); Barbara Mihm, *Fast Fashion in a Flat World: Global Sourcing Strategies*, 9 INT'L BUS. & ECON. RES. J. 55 (2010); Donald N. Sull & Stefano Turconi, *Fast Fashion Lessons*, 19 BUS. STRAT. REV. 4 (Summer 2008). For a similar argument in the context of patent law, *see* Derclaye, *supra* note 5, at 194 (turning to "happiness" as a motivator to incentivize certain types of inventions versus others).

[76] *See* Raustiala & Munzer, *supra* note 5, at 351.

[77] *See* Calboli, *Expanding Protection*, *supra* note 53, at 200–203.

Still, when products come from the GI-denominated territory, the criticism that anti-usurpation protection represents a subsidy, or marketing tool, for GI-denominated products is not so compelling. The argument could instead be made that anti-usurpation protection provides unique benefits in terms of economic incentives granted to local communities and the international community should consider extending this protection beyond GIs for wines and spirits, as indicated in Articles 23 and 24 of TRIPS. In particular, since GIs motivate regional producers to create and maintain social capital and value for the entire group operating within that region,[78] anti-usurpation protection may permit GI beneficiaries to prevent free-riders from capturing some of this value by producing similar, yet non-confusing but also non-authentic (and potentially tarnishing), versions of the authentic products.[79] As regional producers bear the cost of developing and maintaining the reputation of GI-denominated products, they are vulnerable to free riders who piggyback off of this reputation.[80] Should GI beneficiaries not be able to prevent free riders, free riders could make subpar products with little concern regarding the impact that lower standards could have on the reputation of the GI-denominated products in the long term.[81] This, in turn, could tarnish the reputation of the GI-denominated products and directly impact the market for these products.

Moreover, GI-denominated products are frequently of higher quality compared with the type-level generic products.[82] This could motivate outside producers to match the quality of GI-denominated products in order to compete with these products. In other words, enhanced GI protection could stimulate a 'race to the top' in terms of product quality—the arrival of Australian and California wines as serious competitors of European wines proves this point, and so does the growth of local food movements in several countries, including the United States. Equally important, GI producers are generally aware of the importance of maintaining the well-being of their regions and the land. Thus, they frequently adopt high quality production practices not only to maintain the reputation of their products, but also to

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[78] *See* Rangnekar, *supra* note 54, at 15–16; *See also* Dev Gangjee, *Geographical Indications and Cultural Heritage*, 4 WIPO JOURNAL 92, 94–5 (2012) [hereinafter "Gangjee, *GIs and Cultural Heritage*"] (noting that "*[t]hese geographical signs exhibit features of club goods, whereby the right to exclude is enjoyed by all members of the club*").

[79] Rangnekar, *supra* note 54, at 9–10; Agdomar, *supra* note 53, at 578–580; *But see* Raustiala & Munzer, *supra* note 5, at 352–354, 361–364.

[80] Margaret Ritzert, *Champagne is from Champagne: An Economic Justification for Extending Trademark-Level Protection to Wine-Related Geographical Indicators*, 37 AIPLA Q.J. 191, 212–220 (2009).

[81] *See* Agdomar, *supra* note 53, at 586–587.

[82] *See* Emily C. Creditt, *Terroir vs. Trademarks: The Debate over Geographical Indication and Expansions to the TRIPS Agreement*, 11 VAND. J. ENT. & TECH. L. 425, 427 (2009).

safeguard the health of their regions. This frequently translates to higher respect for the environment, attention to public health-related concerns, and investment in local labor, including high skilled labor both to safeguard the traditional manufacturing techniques of GI-denominated products as well as to promote innovative techniques compatible with these traditions.[83] In this context, anti-usurpation provisions could incentivize these good practices in producing and distributing the GI-denominated products.[84] In turn, this could motivate outside producers to match these good practices for their own products, thus establishing a culture of good practice that would benefit consumers, the environment, public health, and labor practices also beyond GI-denominated regions.

Of course, anti-dilution and anti-usurpation protections do not come without costs for competition, and the recognition of enhanced protection over signs and geographical names invariably raises concerns, both with respect to competition and expressive uses of these signs. Accordingly, these enhanced protections should be applied carefully. In particular, anti-dilution protection for trademarks should remain a rare finding, as the confusion-based standard for infringement is sufficient in most instances to protect well-known marks against subpar copies and threats to a mark's uniqueness.[85] Anti-dilution protection should also be balanced with permitting unauthorized descriptive, comparative, non-commercial, and parody or free-speech-related uses of these marks by third parties.[86] The same considerations apply to anti-usurpation protection for GI's, as such protection may also chill speech, including non-misleading commercial speech, in addition to increasing barriers to entry for competitors.[87] In

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[83] Agdomar, *supra* note 53, at 586–587. The argument is that asymmetrical information places the consumer in a weaker position because the consumer cannot optimize their choices due to the lack of a full set of information. GIs can serve to improve communication: they signal quality and expertise and enable consumers to distinguish between premium-quality products and low-end products.

[84] Rangneckar, *supra* note 54, at 13–14.

[85] The notion of "likelihood of consumer confusion" has also undergone a considerable expansion in the past decades. Today, it includes confusion as to the "control," "sponsorship," "endorsement," or "affiliation/association" with the marked products. In the United States, this expansion started as a judicial doctrine and was later incorporated into the statutory language with the 1988 Trademark Revision Act. *See* Lanham Act § 43(a), 15 U.S.C. § 1125(a) (2000).

[86] On these aspects, see Lisa P. Ramsey, *Increasing First Amendment Scrutiny of Trademark Law*, 61 SMU L. REV. 381 (2008). *See also* 15 U.S.C. § 1125(c)(3) (2006) "Exclusions" (listing specific exclusion from anti-dilution protection, including relating to non-commercial or expressive uses of well-known marks). The provision was introduced into the original text of Section 43(c) of the Lanham Act as part of the adoption of the Trademark Dilution Revision Act (TDRA) of 2006, Pub. L. No. 109-312, §§ 2, 3(e), §§ 43, 45, 120 Stat. 1730, 1733 (codified as amended at 15 U.S.C. §§ 1125, 1127) (effective Oct. 6, 2006).

[87] *See* Harry N. Niska, *The European Union Trips Over the U.S. Constitution: Can the First Amendment Save the Bologna That Has a First Name?*, 13 MINN. J. GLOBAL TRADE 413, 440–441 (2004).

this respect, even under a system of anti-usurpation protection, competitors should be free to turn to GI terms accompanied by the terms 'style,' 'like,' or 'type,' to describe their own products, as long as such use does not engender consumer confusion as to the fact that these products are not the authentic products. Even though TRIPS directly excludes the use of these comparative terms for GIs identifying wines and spirits,[88] this provision could be amended in favor of permitting comparative and descriptive uses of these GIs.

Still, when the *leges speciales* analyzed in this Article are well administered under a system that guarantees, on balance, the functioning of a competitive marketplace and the use of these signs for expression related-purpose, both anti-dilution protection for well-known marks and anti-usurpation protection for GIs do not seem to represent the threat otherwise described by critics. Instead, these provisions could become vehicles to fulfill important societal objectives such as promoting higher-quality products and respect for the environment, foster local development, and overall a more sustainable development for society as a whole.

V. CONCLUSION

Since the adoption of TRIPS in 1994, concerns and skepticism have been expressed with respect to the growing role played by Intellectual Property law as corporate subsidies, as well as guarantors of a modern 'sumptuary code.'[89] In particular, few developments in trademark law have been more fiercely criticized than the adoption of Article 16.3 of TRIPS, and in turn the introduction of anti-dilution protection for well-known marks. The protection of GIs, particularly anti-usurpation protection for GIs identifying wines and spirits under Article 23 of TRIPS, has also traditionally been criticized as one of the most prominent areas in which Intellectual Property law is artificially building scarcity in the absence of confusion or deception for the public. More specifically, anti-dilution protection for trademarks and anti-

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[88] TRIPS, *supra* note 1, art. 23.1. For example, this prohibition could be abolished as part of a compromise that would permit the expansion of anti-usurpation protection beyond GIs for wines and spirits. *But see* Council Directive 97/55, art. 3a(1), 1997 O.J. (L 290) 18, 21 (EC). Art. 3(a)1 states that ["*[c]omparative advertising shall, as far as the comparison is concerned, be permitted when the following conditions are met . . . (f) for products with designation of origin it relates in each case to products with the same designation*"] (excluding the possibility of comparing GI-denominated products and non-GI-denominated products).

[89] I borrow the expression 'sumptuary code' from Barton Beebe. *See* Beebe, *Sumptuary Code*, *supra* note 5, at 878–884. In this Article, I have adopted views that may seem in contrast with Professor Beebe's position. Yet, I consider my position not to be antithetical, but rather complementary, to Professor Beebe's position. In particular, Professor Beebe and I are considering the same legal developments perhaps with different eyes, but we both advocate for better standards for consumers, and express, likely differently, the same concerns for the concentration of Intellectual Property rights in the hands of certain Intellectual Property owners, generally large and multinational corporations.

usurpation protection for GIs have both been criticized as types of rights falling outside the traditional incentive-driven justification for Intellectual Property because neither type of protection promotes 'more' products and 'more' competition, but instead represents a barrier to entry, an incentive to capture more value in tradition instead of innovation and, in turn, a subsidy for corporate or local interests against a competitive marketplace[90]

In this Article, however, I have highlighted that, while these criticisms are valid, they frequently do not consider an important aspect of the debate—the *mentalité* of 'high quality' products and 'good-quality life' that distinguishes the countries and many of the constituencies that supported, and continue to support, both anti-dilution protection for trademarks and anti-usurpation protection for GIs. This *mentalité* played an important role in the introduction of these provisions. As such, understanding this *mentalité* remains crucial to rebalance the debate in these areas, not only in order to justify the adoption of these provisions, but also to remind the supporters of these provisions about the rationale behind their adoption. Notably, anti-dilution law aims at protecting the uniqueness of well-known marks, not well-known marks per se as objects and status symbols. Likewise, anti-usurpation protection for GIs aims at fostering local development, not at protecting GIs as a marketing tools for products not entirely produced in the GI-denominated regions.

Yet, when well-administered and enforced under a system guaranteeing against overreaching rights, anti-dilution protection for well-known trademarks and anti-usurpation protection for GIs could play a positive role not only for their beneficiaries, but also for society as a whole. In this respect, both sets of protections could effectively help promote a culture of 'high-quality' products compared with products of lesser quality, which could in turn result in incentivizing higher product standards, and thus perhaps a 'good-quality life,' for everyone. As distinguished scholars have noted in different contexts, these *leges speciales* could even contribute to build that "good life and the sort of society that would facilitate its widespread realization."[91] Accordingly, even though the terms 'high quality' or 'good life' remain difficult to pinpoint (and have different meanings to different audiences), it is important to acknowledge this *mentalité* as a legitimate component of the debates over the *leges speciales* at issue.

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[90] *See* discussion and references *supra* Parts II & III.

[91] William W. Fisher III, *Reconstructing the Fair Use Doctrine*, 101 HARV. L. REV. 1659, 1664 (1998) (*also cited* by Beebe, *Sumptuary Code*, *supra* note 5, at 887, n. 429).

Against the arguments brought forward by the opponents of these provisions—generally based on a law and economic reading of Intellectual Property incentives as tools to foster 'more' products, 'more' competition, and 'more' free-riding—'more' may not necessarily be a 'better' option for society as a whole when it comes to defining what constitutes a 'good-quality life.' To the contrary, 'more good-quality' products may be a more desirable choice for the public, even though this choice may imply 'less quantity.' Despite the skepticism of opponents of the provisions at issue, 'high-quality' products are also often made with 'more' attention to the manufacturing process—whether based on traditional or new techniques—including the ingredients and materials used, and often labor and environmental-related standards. In contrast, 'more' products often implies lower quality products, with shorter product life. This generally results in faster production cycles, which almost invariably adopt questionable production standards (particularly in the absence

of a culture of 'more' in terms of stricter quality requirements, higher transparency in product labeling, etc.). In this respect, the provisions at issue favoring the protection and the promotion of 'high-quality' products could offset some of the negative externalities brought forward by a commercial model based on 'more' products and fast production cycles. Accordingly, considering the *mentalité* of 'good-quality life' behind these provisions could contribute an important point of view to the debate over the values to be protected by Intellectual Propertylaw.