

# Geographical branding: a risky practice in eu law?

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**ABSTRACT:** “Geographical marks”, i.e. marks made up of place names, are highly prized by trademark owners for their evocative power. However, these marks face major legal obstacles throughout their existence. If their birth is often painful, their life is not necessarily more peaceful. Suffering from a congenital handicap, geographical marks suffer from major weaknesses. Should geographical marks therefore be “killed”? This study sets out to debate the question.

**Keywords:** trade marks – geographical names – geographical indications

**SUMMARY:** I. INTRODUCTION: THE NOTION OF “GEOGRAPHICAL MARK”. II. THE BIRTH OF GEOGRAPHICAL MARKS. 1. Geographical marks between descriptiveness and deceptiveness. 1.1. Descriptiveness of geographical marks. 1.2. Deceptiveness of geographical marks. 2. Conflicts between geographical marks and geographical indications. III. THE LIFE OF GEOGRAPHICAL MARKS. 1. The limited scope of geographical marks. 1.1. The descriptive use exception. 1.2. Coexistence with subsequent GIs. 2. The risk of death for geographical marks. 2.1. The “natural” death of geographical marks. 2.2. The “induced” death of geographical marks. IV. CONCLUSION. V. BIBLIOGRAPHY

## I. INTRODUCTION: THE NOTION OF “GEOGRAPHICAL MARK”

Geographical names often have a strong evocative power with the general public and consumers alike. Names such as “Tahiti” or “Ushaïa”, for example, conjure up dreams, inviting people to travel and giving them a change of scenery. This power of attraction makes geographical names particularly coveted by companies wishing to use them as part of their marketing strategy, for example, to promote shower gels or television programs.

However, in law, the registration and use of names — and, more broadly, signs — as trademarks are not without difficulties. In fact, the issue is highly topical. The Toblerone company's decision to remove the representation of the Matterhorn from the packaging of its chocolates, in order to avoid misleading consumers as to the origin of the products, which will henceforth be produced in Slovakia, received a great deal of media coverage. The topicality of the subject is also reflected in the significant number of decisions concerning trademarks made up of place names, whether these decisions are issued by trademark offices — for example, the EUIPO decisions concerning the “*Le Gruyère Switzerland PDO*”<sup>1</sup> and “*Iceland*”<sup>2</sup> — or whether they emanate from Courts, for example the judgment of the European Court of Justice concerning the “*Andorra*” trademark<sup>3</sup>, or the judgment handed down in the United States on the “*Gruyère*” trademark<sup>4</sup>.

To get a clearer idea of the subject, and the legal difficulties involved in choosing a “*geographical mark*”, we need to define the term. What exactly is a “*geographical mark*”? From the outset, it is necessary to define such signs as not being geographical indications, i.e. signs whose function is to guarantee properties linked to the origin of the designated products. Positively, as the term implies, “*geographical marks*” are indeed marks, consisting of geographical names, be they country, region or city names. As trademarks, they must fulfil an essential function in guaranteeing commercial origin. According to CJEU case law, this applies to both individual trademarks<sup>5</sup> and collective trademarks<sup>6</sup>. It is only in the case of certification marks that the function of the sign differs, since it is then to certify that the goods or services concerned have the properties set out in the specifications<sup>7</sup>.

The possibility of registering a geographical name as a trademark has been recognized implicitly by the European legislator, who provided that “*words*” — thus including place names — could constitute trademarks<sup>8</sup>. In addition to the marketing benefits already mentioned, the choice of a “*geographical mark*” also has a definite international appeal, insofar as international registration offers the chosen name strong protection abroad: trademarks are in fact subject to more harmonized and stronger protection than geographical indications at international level.

<sup>1</sup> EUIPO, Nov. 29, 2022, WO1566977.

<sup>2</sup> EUIPO, Nov 29, 2022, R 1238/2019-G and R 1613/2019-G.

<sup>3</sup> Trib. EU, Feb. 23 2022, Case T-806/19, Govern d'Andorra c / EUIPO.

<sup>4</sup> District Court for the Eastern District of Virginia, Dec. 15, 2022, no. 1: 20-cv-1174.

<sup>5</sup> ECJ, 22 June 1976, Case 119/75, Terrapin v / Terranova: ECJ Reports, p. 1039.

<sup>6</sup> CJEU, Sept. 20, 2017, Case C-673 /15 P to 676-15 P, Darjeeling.

<sup>7</sup> GCEU, 13 July 2018, Case T-825/16, Pallas Halloumi.

<sup>8</sup> EU Cons. dir. 89/104/CEE, 21 Dec. 1988, approximating the laws of the Member States relating to trade marks, art. 2. – Cons. UE, Reg. n° 207/2009, 26 feb. 2009, on Community trade marks, art. 4.

And yet, “*geographical marks*” are subject to the following paradox: while they are highly prized by applicants, it is extremely difficult to obtain a valid registration and to use them without any legal risk. In other words, “*geographical trademarks*” have a troubled existence, to say the least. Indeed, major legal obstacles stand in their way, to such an extent that it is fair to question whether it is really worth registering such signs at all. In order to answer this question, it is necessary to examine these obstacles in detail. They concern both the birth of geographical marks (1) and their life cycle (2). It should be pointed out that this division is partly in line with the classic distinction between the existence and exercise of intellectual property rights; however, as certain issues, such as the revocation of trademark rights, affect both the exercise and the very existence of the sign, it is preferable to opt for a more chronological plan, from the birth to the eventual death of the mark.

## **II. THE BIRTH OF GEOGRAPHICAL MARKS**

The birth of geographical marks is, in many cases, a painful process. Indeed, it is not easy for a geographical name to constitute a valid trademark, given the many pitfalls arising from the various validity conditions laid down by European legislation.

In Europe, the principle is that trademark rights are acquired through registration. Accordingly, when a sign is filed with an office, there must be no grounds for refusal of registration. Geographical marks must therefore avoid both absolute and relative grounds for refusal. Since it would be partly redundant to study each of these in turn, given that infringement of a geographical indication constitutes both an absolute and a relative ground for refusal, we will first look at the birth of geographical marks from the angle of “ordinary” trademark law, and then from the angle of a more “specific” law. In other words, geographical marks, like all trademarks, must navigate between two pitfalls: descriptiveness and deceptiveness (1); moreover, they must not conflict with other “*geographical signs*” (2).

### **1. Geographical marks: between descriptiveness and deceptiveness**

Trademarks, and particularly geographical marks, face a twofold pitfall. In order to be validly registered, a trademark must not, on the one hand, be “*composed exclusively of elements or indications which may serve to designate, in trade, a characteristic of the product or service, and in particular the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service*”<sup>9</sup>. Furthermore, the trademark must not be

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<sup>9</sup> EUTMR, art. 7 (1) (c). Emphasis added.

*“of such a nature as to deceive the public, in particular as to the nature, quality or geographical origin of the goods or services”<sup>10</sup>.*

These two defects, descriptiveness and deceptiveness respectively, constitute absolute grounds for refusal of registration — and, where applicable, cancellation — of the trademark. When applied to geographical marks, they imply that the examination carried out by the Office at the time of filing is very likely to lead to refusal of registration. Indeed, the narrow path between “geographical” descriptiveness and deceptiveness seems destined to turn into a dead end, for the following reason: either the product or service designated by the geographical mark actually comes from the place, in which case the trademark is descriptive of origin; or it does not, in which case the trademark is deceptive. At first glance, the geographical mark thus appears to be dead in the water.

One element, however, does come to the rescue of geographical marks. It is the subjective nature of the assessment of these two absolute grounds for refusal. A trademark is not invalid simply because it objectively consists of the name of the place from which the goods in question originate — or do not originate —; it is invalid only if it consists of a name perceived by the public as the place of origin of the goods. Thus, semantically “neutral” geographical marks can be validly registered.

There is therefore a narrow passage through which geographical marks must pass between descriptiveness (1.1.) and deceptiveness (1.2).

### ***1.1. Descriptiveness of geographical marks***

The justification for excluding descriptive marks is particularly clear-cut in the case of geographical marks. As the CJEU points out, there is a “*general interest in preserving the availability of geographical names*”, not least for their ability to reveal the quality and other properties — such as origin — of the categories of goods or services in question<sup>11</sup>. In other words, if a geographical name functions as an indicator of origin, it must remain available to all operators concerned, and cannot be monopolized by one of them through a trademark registration. Furthermore, if the name functions in this way, it is not suitable for fulfilling the essential function of the trademark, which is to indicate a specific commercial origin.

In practical terms, how is the geographically descriptive character of a trademark assessed? Five essential principles apply.

Firstly, as mentioned above, the assessment is subjective. As the CJEU has stated, “*the competent authority must assess whether it is reasonable to assume that a [geographical name] may, in the eyes of the circles concerned, designate the*

<sup>10</sup> EUTMR, art. 7 (1) (g). Emphasis added.

<sup>11</sup> ECJ, 4 May 1999, joined cases C-108/97 et C-109/97, Windsurfing Chiemsee.

*geographical origin of that category of goods*"<sup>12</sup>. This means that a geographical name will be considered descriptive if it has a sufficiently direct and concrete relationship with the goods or services in question to enable the public concerned to perceive immediately, and without further reflection, a description of the geographical origin of the said goods or services. Thus, the relevant public's knowledge of the geographical name and its perception of a link between the place and the goods or services are more important than the objective reality of the place of manufacture. As the EU General Court stated, "*the descriptive character of a sign can be assessed only in relation, on the one hand, to the goods or services concerned and, on the other, to the relevant public's understanding of them*"<sup>13</sup>. In practice, two cumulative conditions are thus required to establish the descriptive nature of a geographical name. Firstly, the name must be known in the relevant circles as the designation of a place. Otherwise, if the sign is not perceived as a toponym by the public, it cannot be geographically descriptive. On the other hand, assuming the first condition is met, the geographical name must, in the eyes of interested circles, present a link with the category of goods or services concerned. In other words, the name must be an indication of source: a geographical name is an indication of source when, in the mind of the public, a link has been established between the place of manufacture and characteristics relating either to geographical or human factors, the recognized quality of the product being attached to the raw material procured from a given region or country, or to manufacturing procedures and care whose value has been enshrined down the ages thanks to their application by numerous manufacturers concentrated in the same geographical area. The reputation of the place for the products covered by the trademark is decisive in this matter. As soon as the place is known for these products, the trademark will necessarily be understood by the public as designating their geographical origin, and will therefore incur the ground for refusal.

Conversely, if the name does not carry any reputation for the products concerned, it can be validly registered as a trademark.

It should be added that, in application of the principle of specialty, the same geographical name can be descriptive for certain products, and conversely constitute a valid trademark for others.

The case law clearly reveals the existence of a certain randomness in this area. The result is a high degree of legal uncertainty for geographical marks, which, even if they pass the descriptiveness hurdle before the offices, run the risk of being cancelled at a later date. In practice, therefore, it is advisable, if not to formally advise against registering a geographical trademark, at least to urge

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<sup>12</sup> ECJ, 4 May 1999, joined cases C-108/97 et C-109/97, *Windsurfing Chiemsee*, aforementioned.

<sup>13</sup> GCEU, Oct. 15, 2003, case T-295/01, *Oldenburger*.

applicants to exercise extreme caution, especially in view of the CJEU's strict stance.

Secondly, in the important *Windsurfing Chiemsee* judgment<sup>14</sup>, the Court of Justice introduced a further restriction on the registration of a geographical mark, in cases where the name has no connection with the goods concerned at the time of application for registration. According to the Court, the prohibition on descriptive geographical marks also applies “to geographical names liable to be used in the future [...] as an indication of the geographical origin of the category of goods in question”. Thus, a geographical name cannot be registered as a trademark if it is likely, *in the future*, to be understood by consumers as a geographical indication designating the goods concerned. However, given that the descriptiveness of the sign is in principle assessed on the day when the trademark application is filed — except in the case of subsequent acquisition of distinctive character, discussed below — the competent authorities must make a prognosis as to the chances of the name acquiring, in the public mind, a particular reputation. While this solution can be explained by the CJEU's commitment to preserving the availability of geographical names likely to function as geographical indications, it is nonetheless problematic in that it imposes a kind of divinatorial exercise on the examiner. The result, once again, is a *significant new risk of uncertainty as to the validity of geographical marks*. Once again, applicants for geographical trademarks should be extremely cautious.

Thirdly, article 7 (1) (c) of the EUMR limits the absolute ground for refusal to trademarks consisting “*exclusively*” of descriptive elements. As a result, *a contrario*, this provision does not prohibit the registration of a geographical name referring to the origin of a product as part of a complex trademark made distinctive as a whole by the addition of other elements. Water brands such as Evian, Volvic or Vittel are a good illustration of this rule: while geographical names are descriptive of the origin of sources, the marks are nevertheless valid as a whole insofar as they associate distinctive elements such as designs, colors or particular fonts with these names. This is an interesting prospect for geographical mark applicants, who can strongly reinforce the validity of their signs with such elements.

Fourthly, unlike the addition of distinctive elements to a geographical name, one strategy is ineffective in the case of a geographically descriptive mark consisting of a geographical indication: limiting the products covered to those which comply, where applicable, with the GI's specifications. The EUIPO's decision on the *Le Gruyère* Switzerland PDO trademark<sup>15</sup> is particularly clear on this point. The Office rightly points out that, while limiting the wording of the products concerned may make it possible to avoid the ground for refusal under Article

<sup>14</sup> ECJ, 4 May 1999, joined cases C-108/97 et C-109/97, *Windsurfing Chiemsee*.

<sup>15</sup> EUIPO, Nov. 29, 2022, WO1566977, aforementioned.



7(1)(j) of the EUMR — hypothesis of the conflict between a trademark and an earlier geographical indication, discussed below — it does not, however, affect the grounds contained in Article 7(1)(b) and (c) of the Regulation. The conditions of distinctiveness and non-descriptiveness apply to all trademarks, and must be assessed separately. In the present case, the consequence is that the limitation cannot purge the defect of descriptiveness from which the trademark suffers, composed solely of descriptive verbal elements (“Le Gruyère”, which designates a type of cheese benefiting from the protected appellation of origin “Gruyère”; “Switzerland”, which designates Switzerland, and “PDO”, which refers to a product that complies with the specifications of a protected designation of origin), and non-distinctive figurative elements, which reinforce the meaning of the sign (the Swiss cross, simple geometric elements: grey and black rectangles, and stick fonts). Thus, according to the EUIPO, *“the mark applied for is merely descriptive of the kind, quality and origin of the goods”, within the meaning of Article 7(1) c of the EUMR*. From a practical point of view, it is therefore advisable to return to the previous recommendation, i.e. to accompany the geographical name with distinctive fantasy elements.

Fifthly and finally, it is necessary to qualify the statement concerning the moment of assessment of descriptive character by a rule laid down by the CPI and the RMUE. While the principle is that this assessment takes place on the day of filing, account must be taken of the rule that *“the distinctive character of a trademark may be acquired as a result of the use made of it”*<sup>16</sup>. In such cases, the absolute ground for refusal and invalidity based on the descriptiveness of the sign does not apply. In other words, use of the geographical name, both before filing and after registration, can purge the defect of descriptiveness and, where applicable, defeat an action for invalidation of the trademark. In order for a geographical name to lose its descriptive character and acquire a distinctive character, it must have been used as a trademark for a certain period of time, so that it has taken on a new meaning in the mind of the relevant public, becoming capable of fulfilling the distinguishing function of the trademark. Through use, the geographical name can thus become associated by the public with a particular company, and no longer with the designated place. As the CJEU writes, *“a geographical name may be registered as a trade mark if, after use, it has become capable of identifying the product for which registration is sought as originating from a particular undertaking and thus of distinguishing that product from those of other enterprises. Indeed, in such a case, the geographical name has acquired a new scope and its meaning, which is no longer merely descriptive, justifies its registration as a trademark [...] In order to determine whether a trademark has acquired distinctive character after use, the competent authority must make an overall assessment of the elements which can demonstrate that the trademark has become capable of identifying the product concerned as originating from a specific under-*

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<sup>16</sup> EUTMR, art. 7 (3).

*taking and thus distinguishing that product from those of other undertakings*<sup>17</sup>. From a practical point of view, the use of a geographical name as a trademark is the second strategy likely to come to the rescue of geographical trademark applicants.

In the light of these rules, the creation of geographical marks is a very delicate matter. Unless they wish to register a place name that is totally neutral with regard to the goods or services concerned, applicants are well advised to provide their geographical mark with one or two crutches — the addition of distinctive elements and usage. The difficulty posed by these texts is reinforced by the relatively strict stance taken by European courts and offices. Thus, in addition to the “*Le Gruyère Switzerland PDO*” trademark already mentioned, the EUIPO has also ruled that the “Iceland” trademark<sup>18</sup>, registered for food products and retail services in particular, is descriptive. For its part, the TUE confirmed the EUIPO’s assessment that the “Amsterdam Poppers” trademark<sup>19</sup> was descriptive.

The above developments relate to individual trademarks. What about collective trademarks and certification marks: are they more open to the registration of a geographical sign? *A priori*, certification or guarantee marks would seem to be the most likely to accommodate geographically descriptive signs, whose function would be precisely to certify a particular origin. However, the European legislator has made no exception to the requirement of distinctiveness for these marks — a sign that geographical indications are king in this field. As for collective marks, Article 74(2) of the EUMR allows the registration of “*signs or indications which may serve, in trade, to designate the geographical origin of goods or services*”. This seems to open the door to geographical collective marks. However, a judgment handed down by the CJEU in one of the many “Halloumi” cases<sup>20</sup> largely closes this door, insofar as the Court states that while Article 74(2) of the EUMR “*authorizes, by way of derogation from Article 7(1)(c) of that regulation, the registration as collective marks of the European Union of signs which may serve to designate the geographical origin of goods or services, [it] does not, however, allow the signs so registered to be devoid of distinctive character*”. In other words, the Court insists that geographically descriptive collective marks must nevertheless be distinctive. This is perplexing, as it is difficult to see how a geographically descriptive trademark can be distinctive — unless, once again, arbitrary elements are added.

While the obstacle of descriptiveness is important for geographical trademarks, applicants for such signs must also take care not to tip over into deceptiveness at the other end of the spectrum.

<sup>17</sup> ECJ, 4 May 1999, joined cases C-108/97 et C-109/97, Windsurfing Chiemsee.

<sup>18</sup> EUIPO, Nov. 29, 2022, R 1238/2019-G and R 1613/2019-G, aforementioned.

<sup>19</sup> GCEU, Apr. 6, 2022, Case T-680/21.

<sup>20</sup> CJEU, 5 March 2020, Case C-766/18 P, Foundation for the Protection of the Traditional Cheese of Cyprus named Halloumi c/ EUIPO.



## 1.2. Deceptiveness of geographical marks

In a way, deceptiveness mirrors descriptiveness, since both defects are based on a belief held by consumers, who perceive the geographical name as indicating the place of origin of the goods or services designated by the trademark. In the case of deceptiveness, of course, the geographical name does not actually refer to the origin of the goods or services. For example, the *Amsterdam Poppers* trademark has been found to be both descriptive<sup>21</sup> and deceptive<sup>22</sup>, depending on the origin of the designated products.

In this sense, the issue is essentially the same as that of descriptiveness. The prohibition on registering a geographically deceptive trademark, which at first glance may appear to be based on consumer protection, also protects competitors and, more broadly, fair competition on the market, since a deceptive trademark is nothing other than a “*falsely descriptive*” trademark<sup>23</sup>.

Consequently, the assessment of a trademark’s misleading character is similar to that of its descriptiveness, and in particular subjective. A geographical mark will only be deceptive if the public is likely to perceive it, wrongly, as an indication of the geographical origin of goods or services. We can therefore refer to the analyses carried out in relation to descriptiveness. The question to be asked by the authority responsible for assessing the validity of the trademark is the following: is there, in the mind of the public concerned, a link between the geographical name and the products it designates? If so, the toponym is deemed to apply to the products in question. The trademark then constitutes a false indication of source, invalid on grounds of deceptiveness.

On the other hand, a trademark is considered valid if it is perceived as *arbitrary in relation to the designated product*, i.e. as a term of fantasy. This is the case, for example, of the name “Mont-Blanc” designating dessert creams or pens.

As in the case of descriptiveness, there is considerable uncertainty for geographical mark applicants. Deceptiveness is assessed, in the same way, on the day the trademark is filed. On the other hand, unlike descriptiveness, the defect of deceptiveness cannot be purged by use. Great care must therefore be taken when filing.

The deceptiveness of geographical marks calls for a final comment. As with other absolute grounds for refusal, deceptiveness must be assessed *in abstracto*, i.e. in consideration of the trademark itself as registered, and of the products targeted, without taking into account the use made of the sign. The conditions under which the geographical trademark is used, on the other hand, may be

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<sup>21</sup> GCEU, Apr. 6, 2022, Case T-680/2.

<sup>22</sup> CA Paris, Feb.24, 2015, no. 2013/11013.

<sup>23</sup> Y. Basire, La tromperie en droit des marques: Légipresse 2020, p. 85.

taken into account in the context of another action, which will be discussed below: the revocation action.

At the end of this analysis, it is clear that geographical marks are born in troubled waters, as the channel between descriptiveness and deceptiveness is extremely narrow. Even if these obstacles are successfully overcome, there remains a threat that could jeopardize the birth of geographical marks. The threat is conflict with other, earlier geographical indications.

## 2. Conflicts between geographical marks and geographical indications

Among the grounds for refusal of registration and cancellation are several provisions relating to conflicts between trademarks and geographical indications.

Geographical indications, since the 2015 “Trademark Package”, occupy a special place in the world of distinctive signs. Indeed, the 2015 directive and regulation, have significantly strengthened the protection, vis-à-vis trademarks, of geographical indications. This reinforcement is reflected in the dual inclusion of these signs among the absolute and relative grounds for refusal of registration and invalidity of trademarks. Geographical indications are the only sign to be doubly protected in relation to trademarks, which bears witness to the particular favor shown to them by the European legislator.

Before analyzing the content of absolute and relative grounds, it is necessary to precisely define the notion of “*geographical indication*”. It mostly refers to designations of origin and geographical indications protected under European Union law (i.e. protected designations of origin or PDOs for food and wine<sup>24</sup>, protected geographical indications or PGIs for food and wine<sup>25</sup> and geographical indications for spirits<sup>26</sup>).

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<sup>24</sup> Regulation (EU) 2024/1143 of the European Parliament and of the Council of 11 April 2024 on geographical indications for wine, spirit drinks and agricultural products, as well as traditional specialties guaranteed and optional quality terms for agricultural products, amending Regulations (EU) No 1308/2013, (EU) 2019/787 and (EU) 2019/1753 and repealing Regulation (EU) No 1151/2012; Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007.

<sup>25</sup> Idem.

<sup>26</sup> Regulation No. (EU) 2019/787, 17 Apr. 2019, on the definition, description, presentation and labeling of spirit drinks, the use of spirit drink names in the presentation and labeling of other foodstuffs, the protection of geographical indications for spirit drinks, and the use of ethyl alcohol and distillates of agricultural origin in alcoholic beverages, and repealing Regulation (EC) No. 110/2008: OJEU No. L 130, 17 May 2019, p. 1.

As far as absolute grounds are concerned, Article 7 (1) (j) of the EUMR refers to trademarks “*excluded from registration by virtue of national legislation, European Union law or international agreements to which France or the Union are party, which provide for the protection of appellations of origin and geographical indications*”. This enshrinement of geographical indications as an absolute ground for refusal highlights the fact that, unlike trademarks, which are only relative grounds for refusal, geographical indications have a public policy aspect. In application of European regulations on geographical indications, which provide for the coexistence of earlier trademarks and later geographical indications wherever possible, the idea of the superiority of geographical indications over trademarks remains through this consecration of the former as an absolute ground for refusal.

It should be stressed that article 7 (1) (j) of the EUMR refers to the provisions applicable to the protection of geographical indications (European regulations for PDO-PGI), and must therefore be used in conjunction with the latter. It will therefore be necessary to rely on provisions expressly providing for the refusal of trademarks.

As regards relative grounds, the European Union Trade Mark Regulation of 2015<sup>27</sup> stated in its eleventh recital that “*in order to maintain the strong protection of rights associated with appellations of origin and geographical indications protected at Union and national level, it is necessary to make it clear that those rights entitle any person authorized under the relevant law to oppose a subsequent application for registration of a European Union trade mark, irrespective of whether or not those rights also constitute grounds for refusal to be considered ex officio by the examiner*”. In other words, without prejudice to the absolute ground, the recognition of geographical indications as a prior right capable of invalidating the registration of a trademark is explained by the legislator’s desire to create a right of opposition on the basis of a geographical indication.

According to Article 8 (6) of the EUMR: “*Upon opposition by any person entitled under the applicable law to exercise the rights deriving from a designation of origin or geographical indication, the mark applied for shall be refused registration where and insofar as, under the Union or national law providing for the protection of designations of origin or geographical indications: i) an application for an appellation of origin or geographical indication had already been filed, in accordance with Union or national law, before the filing date of the European Union trademark or before the date of priority claimed in support of the application, subject to subsequent registration;*

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<sup>27</sup> Regulation (EU) 2015/2424, 16 Dec.2015, amending Council Regulation (EC) No 207/2009 on the Community trade mark and Commission Regulation (EC) No 2868/95 implementing Council Regulation (EC) No 40/94 on the Community trade mark, and repealing Commission Regulation (EC) No 2869/95 on the fees payable to the Office for Harmonization in the Internal Market (Trade Marks and Designs): OJEU No. 341, Dec. 24, 2015, p. 1.

ii) *such appellation of origin or geographical indication confers the right to prohibit the use of a subsequent mark*". This provision thus invites reference to European regulations or national provisions on the scope of GI protection<sup>28</sup> — which, in particular, prohibit any “*evocation*”, a concept specific to GIs. As with absolute grounds, therefore, the legislator proceeds by reference. The difference is that, in this case, it is no longer necessary for texts relating to geographical indications to expressly provide for the right to prohibit the registration of a trademark. All that is required is that they allow the use of the trademark to be opposed. From this point of view, the scope of the protection conferred on geographical indications is greater here, as infringement by trademarks registered in another field of specialization is not expressly excluded. For example, the European Court of Justice upheld the opposition lodged by the defense organization of the Porto wine PDO to the registration of the *Portwo* trademark for gin, on the grounds that the use of the trademark damaged the reputation of the appellation<sup>29</sup>.

In practice, it is therefore impossible to register as a trademark a name constituting a geographical indication if the products designated by the former do not meet the specifications of the latter. In such cases, the GI is infringed. In addition, the trademark is highly likely to suffer from a defect of deceptiveness.

What happens if the geographical mark designates products entitled to the GI? In such cases, the EUIPO agrees to waive objections to GI infringement, provided that the trademark is distinctive as a whole — as the EUIPO recalled in its “*Le Gruyère Switzerland PDO*” decision<sup>30</sup>. In practical terms, this means that a GI cannot be registered as a trademark, either on its own or with non-distinctive elements, even to designate products entitled to the GI, as this name must not be privately appropriated by a particular user to the detriment of others. Moreover, such trademarks would not be able to fulfil their distinctive function. On the other hand, a GI can, with the addition of one or more distinctive elements, constitute a complex trademark valid for designating products benefiting from this indication.

In fact, the admission of this type of trademark raises a number of reservations. Despite their lawfulness, such marks are hardly appropriate for the protection of GIs. The validity of trademarks composed of geographical indications, particularly when they are individual marks, contradicts the very logic of these indications. Indeed, the right to a geographical indication is not intangible, and there is no guarantee that the owner of the complex trademark will be able to use it continuously. However, an individual trademark is, in principle, virtually perpetual and unconditional. A trademark composed of a GI is, therefore, a strange object, difficult to transfer on its own, whose use may, if necessary, be

<sup>28</sup> Reg. (UE) n° 2024/1143, art. 31. – Reg. (UE) n° 1308/2013, art. 103. – Reg. (UE) 2019/787, art. 21, § 2.

<sup>29</sup> Trib. EU, Oct. 6, 2021, aff. T-417/20, Joaquim José Esteves Lopes Granja c/ EUIPO.

<sup>30</sup> EUIPO, Nov. 29, 2022, WO1566977, aforementioned.

conditional on obtaining approvals and subject to repeated controls. Moreover, trademarks are weakened by the risk of no longer being able to be used, or even of being cancelled for having become deceptive or generic, whereas GIs cannot be subject to such a lapse. Furthermore, the usefulness of trademarks composed of geographical indications is questionable. On the one hand, it is not the inclusion of the GI in the trademark that allows the trademark owner to use the toponym, but rather the right to use the GI. On the other hand, a complex trademark does not allow its owner to take infringement action against third parties who usurp the appellation of origin, since trademark protection does not extend to the non-distinctive elements of the signs.

In any event, even if they have the right to use the GI, geographical mark applicants must be careful to avoid any flights of fancy with regard to the GI name included in their trademarks.

Finally, in addition to individual trademarks, collective marks are undoubtedly better suited to GIs, since they do not lead to one operator monopolizing the geographical name to the detriment of others. In this respect, the registration of a collective mark or certification mark associating a distinctive figurative element with the GI name is of definite marketing interest. Let one think of the “Comté” collective trademark: far more than the PDO and its logo, it’s the green bell that is known and recognized by consumers. The brand, *especially* when it is figurative, is thus *a* key eye-catcher, a true strategic marketing and communication tool. Despite this last point, the overall picture for geographical mark applicants is gloomy. In fact, the birth of geographical trademarks has been severely hampered. Applicants must be cautious, arm themselves with a extra lucid skills and equip their trademarks with “*crutches*” designed to strengthen their validity. Assuming all these tests have been successfully passed, geographical marks are not at the end of their tether. Their lives, like their births, are fraught with danger.

### **III. THE LIFE OF GEOGRAPHICAL MARKS**

No sooner have geographical marks come into being than they face new challenges. The exclusive rights they entail are limited and fragile. Geographical marks suffer from a number of inherent handicaps, which not only limit their scope (1), but can even threaten them with death (2).

#### **1. The limited scope of geographical marks**

From the outset, geographical marks have been deprived of their full potential by two rules which limit the scope of their owners’ exclusive rights. These are, on the one hand, the so-called exception of “*descriptive use*” (1.1), and, on the other hand, the coexistence imposed with any subsequent GIs (1.2).

### 1.1. The descriptive use exception

Article 14 (1) (b) of the EUMR provides that the owner of a trademark may not prohibit the use, in the course of trade, in accordance with honest practices in the trade, *“of signs or indications which are devoid of any distinctive character or which relate to the kind, quality, quantity, intended purpose, value, geographical origin, time of production of the goods or rendering of the service or other characteristics thereof, quality, quantity, intended purpose, value, geographical origin, the time of production of the product or rendering of the service, or other characteristics of the product or service”*.

The CJEU had previously interpreted the descriptive use exception in a “Kerry Spring” case, holding that the owner of a *Gerri* trademark, registered for mineral waters, could not object to a third party’s use of the word “Kerry Spring” on the label of its bottles, notwithstanding the existence of a likelihood of confusion, as long as *“the use made of the indication of geographical origin complies with honest practices in industrial or commercial matters”*<sup>31</sup>. It follows from this rule that owners of geographical marks, whether simple or complex, cannot deprive others of the right to use the geographical name, in its ordinary function and in a fair manner, to designate in particular their place of establishment or the origin of their products.

This exception is obviously a major weakness for geographical marks. It is explained by the specific nature of geographical names, which fulfil a function of general interest and must remain available to all. Once again, the rule highlights the consubstantial handicap suffered by geographical marks, which are composed of terms that are fundamentally intended to fulfill a function other than that of the trademark. As the CJEU already pointed out in 2004, *“in a Community of fifteen Member States and great linguistic diversity, the possibility of there being any phonetic similarity between, on the one hand, a trade mark registered in one Member State and, on the other hand, an indication of geographical origin from another Member State is already considerable, and will be even more so after the forthcoming enlargement”*<sup>32</sup>. As long as the only relevant criterion — fair use — is met, owners of geographical marks will have to put up with this form of encroachment on their rights.

This intrinsic weakness of geographical marks is compounded by a second handicap: the loss of exclusivity in the event of conflict with a subsequent GI.

### 1.2. Coexistence with subsequent GIs

As mentioned above, there may be a conflict between a geographical mark and an earlier GI. In such cases, the GI prevails to a very large extent, preventing

<sup>31</sup> CJCE, 7 janv. 2004, aff. C-100/02, Kerry Spring.

<sup>32</sup> ECJ, Jan. 7, 2004, Gerolsteiner Brunnen, op. cit.



the trademark from coming into being. Unfortunately for geographical mark owners, however, the opposite hypothesis does not lead to a mirror image in European law. Indeed, when a validly registered geographical mark comes into conflict with a later GI, it is the coexistence of the signs that is sought, as far as possible.

The relevant provisions of the European GI regulations state that, in the event of a conflict between a GI and an earlier trademark, the trademark — provided it has been registered in good faith — “*may continue to be used and renewed for that product notwithstanding the registration of an appellation of origin or geographical indication, provided that no grounds for invalidity or revocation [...] exist*”. In such cases, both the protected appellation of origin or geographical indication and the trademarks concerned may be used. The wording of the rule is revealing: the legislator seems to take the hierarchy between GIs and trademarks for granted, and seems almost to be granting a favor to holders of earlier trademarks, by allowing them not to be troubled by the later registration of the GI.

In reality, this solution of coexistence of European law — which a WTO panel found to be compliant with TRIPS rules in 2005<sup>33</sup> — aims to reconcile the principle of anteriority, which generally applies in the law of distinctive signs<sup>34</sup>, and consideration of the general interest attached to GI protection, which contrasts with the private interest attached to trademark protection.

This rule severely curtails the exclusive rights of geographical mark owners, who have to compete with GI products. It should be noted that European texts provide for a derogation to the coexistence rule, in cases where “*taking into account the reputation of a trademark, its renown and the duration of its use, such registration is likely to mislead the consumer as to the true identity of the product*”<sup>35</sup>. Nevertheless, it is revealing to note that whenever this rule has been invoked, the courts have concluded that the conditions were not met for the trademark to prevail, and have therefore ordered the coexistence of the signs. Thus, for example, judges have validated the coexistence of the PGI “Bayerisches Bier” with the earlier trademarks *Bavaria*, *Bavarian Beer* and *Høker Baker*<sup>36</sup>.

While coexistence may seem laudable in principle, given the interests at stake, it is clearly prejudicial to holders of geographical marks registered in good faith, who, not having a crystal ball at the time of registration, could not have

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<sup>33</sup> Doc. WT/DS174/R. – C. Charlier and M.-A. Ngo, An Analysis of the European Communities: Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs Dispute: Journal of World Intellectual Property, 2007, vol. 10, n° 3-4, p. 171. – R. Raith, Recent WTO and ECJ Jurisprudence Concerning the Protection of Geographical Indications: International Trade Law & Regulation 2009, vol. 15 (4), no. 119.

<sup>34</sup> CJCE, 16 nov. 2004, aff. C-245/02, Anheuser-Busch: Rec. CJCE 2004, p. I-10989, pt 5.

<sup>35</sup> Reg. (EU) no. 1151/2012, art. 6, § 4. – reg. (EU) no. 1308/2013, art. 101 § 2. – reg. (EU) 2019/787, art. 35, § 2.

<sup>36</sup> CJEC, July 2, 2009, aff. C-343/07, Bavaria: Europe 2009, comm. 352, V. Michel.

suspected that a homonymous geographical indication would be registered subsequently. Not only do these owners have to endure the parallel exploitation of the GI, but they are also prevented from registering new geographical marks for their range in the future. The fate of applicants acting in bad faith, who were aware of a GI project underway, is sealed by the courts, which cancel their trademarks. Moreover, the implementation of the coexistence solution makes it possible to authorize uses likely to lead to confusion, in the minds of consumers, between the trademark and the subsequent GI. As we can see, the asymmetry of solutions to conflicts between geographical trademarks and GIs — depending on whether one or the other sign is prior — means that the balance is clearly tipped against geographical mark owners. Not only are the latter born with major handicaps, but — even worse — they can be threatened with death.

## 2. The risk of death for geographical marks

From the moment they are created, geographical marks are subject to a number of “swords of Damocles”, threatening their very existence.

In trademark law, there are two causes of disappearance: cancellation and revocation. By their very nature, geographical marks are particularly vulnerable to cancellation and revocation (2.1.), and it may be asked whether they are not also at risk from the subsequent registration of a GI (2.2.).

### 2.1. The “natural” death of geographical marks

Cancellation retroactively sanctions non-compliance with a condition of trademark validity. On this point, it is necessary to refer to the analyses on the birth of a geographical mark, and once again emphasize the legal uncertainty that reigns in this area. Geographical marks are particularly vulnerable to cancellation on the grounds of descriptiveness or deceptiveness, given the highly subjective nature of the assessment of these two defects.

As for revocation, this involves looking at the situation after the trademark has been registered, to see if the owner can be accused of a fault likely to cause the trademark right to lapse in the future. As far as geographical marks are concerned, one cause of revocation springs spontaneously to mind: a trademark which, as a result of the use made of it or authorized by its owner, is liable to mislead the public “*in particular as to the nature, quality or geographical origin of the goods or services*”<sup>37</sup>. This brings us back to the question of the deceptiveness of geographical marks. As mentioned above, the essential difference with cancellation for deceptiveness is that, in the context of a revocation action, the

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<sup>37</sup> EUMR, art. 58 (1) (c).

## Geographical branding: a risky practice in eu law?

misleading nature of the sign is assessed *in concreto*, i.e. taking into account the specific conditions under which the sign is used. In this respect, the owner of a geographical mark must take great care to avoid using his trademark in a way or in circumstances that could lead consumers to believe, wrongly, that the goods or services designated come from the place in question. For example, the trademark *La Irlandesa*<sup>38</sup> has been revoked for misleading use by its owner.

In this sense, the “*benefit of the doubt*” that offices can give applicants, when examination of the geographical mark reveals no contradiction between the information conveyed by it and the characteristics of the products designated in the application for registration, can be a poisoned chalice. Indeed, the victory of the geographical mark at the registration stage is likely to be a double-edged sword: geographical mark owners who have succeeded in reserving a “*catchy*” place name should temper their ardor when exploiting the sign, taking care not to suggest too much association between the toponym and the products or services covered.

Beyond these hypotheses of “*natural*” death, which are covered by ordinary trademark law, the question arises as to whether geographical marks are not also under threat of “*induced*” death as a result of any subsequent GIs.

### 2.2. The “*induced*” death of geographical marks

The question at hand is whether the possible subsequent registration of a GI can constitute grounds for the disappearance of a geographical mark. The wording of the coexistence rule laid down by the European regulations begs the question, insofar as the survival of the earlier trademark is only permitted “*insofar as no grounds for invalidity or revocation [within the meaning of trademark law]*” exist. It is, of course, possible for such a trademark to be cancelled after a GI has been registered. However, it is difficult to see the birth of the GI as a cause for cancellation of the trademark, since grounds for invalidity are assessed on the day of filing. Only the case of a geographical trademark filed in bad faith and intended to “*pre-empt*” a GI whose registration process is known to the applicant could fall within the scope of this provision. For the rest, the condition laid down in the GI regulations has little real impact. Indeed, while in practice it is intended to exclude the maintenance of prior trademarks that are descriptive or, on the contrary, misleading, it does not make it possible to prohibit the continued use of trademarks that have become misleading due to the recognition of competing geographical indications, as this circumstance is not one of the grounds for invalidity provided for under trademark law. Both deceptiveness and descriptiveness are assessed at the time of registration of the trademark, as the Court of Justice expressly stated in relation to a conflict between a PDO and an earlier

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<sup>38</sup> Trib. UE, 29 June 2022, aff. T-306/20, Hijos de Moisés Rodríguez González, SA c / EUIPO.

trademark<sup>39</sup>: in order to determine whether use of the earlier trademark may continue, the court must base itself “*on the state of the law in force at the time of registration of the trademark in order to assess whether [the name constituting the trademark was not] in itself deceptive of the consumer*”. As a result, either the geographical mark was valid on the day it was registered, and its new deceptiveness or descriptiveness caused by the recognition of the GI cannot call this validity into question; or it turns out that, when it was registered, the trademark was already affected by one of these defects: it can then be cancelled on the basis of trademark law, without the later recognition of the GI having any influence.

As for the grounds for revocation, they certainly make it possible to take into consideration situations subsequent to the filing of the trademark. Here again, however, it is difficult to see the registration of a GI as grounds for revocation of a geographical mark.

As for revocation for failure to use<sup>40</sup>, *prima facie* there is no link with such a registration. It could no doubt be argued that the owner of a geographical mark might be tempted to stop using his sign for fear of falling foul of the subsequent GI. However, it is easy to argue that, if the trademark has been registered in good faith, such a fear is unfounded, since continued use of the trademark is expressly authorized by the GI regulations — or even to wonder whether the very hypothetical legal threat of an action for infringement of the GI might not constitute a “*just cause*” legitimizing non-use of the trademark.

As far as revocation for becoming generic is concerned<sup>41</sup>, it is obviously possible for a geographical mark to become the common name of a product. This is a relatively frequent occurrence: “*Dijon mustard*”, “*Cologne water*”... However, in such a case, it is hard to see how this degeneration of the trademark could be accompanied by the registration of a GI at the same time, since genericity is just as prohibitive for GIs.

Finally, with regard to the revocation of a misleading trademark<sup>42</sup>, which has already been considered, it seems conceivable at first glance that the registration of a GI could lead to an earlier geographical mark being given a misleading meaning. However, this will not constitute a cause for revocation, as the deception must be attributable to the trademark owner himself for this purpose. The wording of Article 58(1)(c) (“if, in consequence of the use made of the trade mark by the proprietor of the trade mark or with his consent in respect of the goods or services for which it is registered, the trade mark is liable to mislead the public”), could possibly lead to the assumption that the owner could be blamed for failing to prevent registration of the GI. However, apart from the fact that in practice

<sup>39</sup> CJCE, 4 mars 1999, aff. C-87/97, Cambozola: Rec. CJCE 1999, p. I-1301; PIBD 1999, n° 678, III, p. 271.

<sup>40</sup> RMUE, art. 58 (1) (a).

<sup>41</sup> RMUE, art. 58 (1) (b).

<sup>42</sup> RMUE, art. 58 (1) (c).

it is virtually impossible to do so, this analysis is condemned by the provisions of the European directive and regulation on trademarks<sup>43</sup>, which stipulate that revocation is only incurred if the trademark is liable to be misleading *“as a result of the use made of it by the proprietor or with his consent”*. It is therefore only the use made by the owner of the geographical mark that can lead to the revocation of his rights.

## IV. CONCLUSION

Despite this last point, which lightens the way slightly, the overall picture for geographical marks is gloomy. To sum up, their *“parents”* need to equip themselves with a powerful crystal ball, on the one hand to assess the possible future descriptiveness of the sign, and on the other hand to try to predict the subsequent registration of a GI. They also have every interest in equipping their trademark with crutches consisting of the addition of distinctive elements and/or use conferring distinctiveness on the sign. Unfortunately, as soon as they are born, geographical marks are hit by a number of handicaps, are subject to an amputation of their exclusivity perimeter, and risk death at any moment.

So, faced with so much suffering, both in terms of their existence and their exercise, should we kill these unfortunate geographical marks? In legal terms, such euthanasia would make sense: simply prohibiting the registration of geographical marks would have the advantage of avoiding many conflicts and difficulties, and preserving the distinction between the essential functions of trademark and those GIs. This radical solution was the one adopted in Great Britain, Germany and Scandinavia before the harmonization of trademark law in the European Community<sup>44</sup>, as well as by the American Trademark Act of 1905. However, this rule was difficult to implement in practice, obliging authorities to check whether a name was not a toponym somewhere in the world. Thus, *“a general and absolute ban is unreasonable. A term thought to be fanciful may turn out to be the name of a lost Alaskan hamlet, a sub-tributary of the Mississippi, an unexplored peak in the Kilimanjaro massif or a substation on the Trans-Siberian Railway (Kodak, for example)”*<sup>45</sup>. This statement remains valid today, notwithstanding the development of digital information systems. For this reason, it seems difficult, and probably inappropriate, to reconsider the admission of geographical names as trademarks. Added to this is the fact that trademarks enjoy better international protection than GIs, which militates in favor of recognizing geographical marks.

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<sup>43</sup> Dir. (EU) 2015/2436, art. 20 (b). – EUMR, art. 58 (1) (c).

<sup>44</sup> F. Gevers, *L'usage à titre de marque des noms et signes géographiques*: PIBD 1991, n° 419, II, p. 2.

<sup>45</sup> J. Azéma and J.-C. Galloux, *Droit de la propriété industrielle*, LexisNexis, 8th ed., 2017, n° 1582.

On the other hand, it is vital that the validity of geographical marks be strictly assessed, and that their registration be reserved for signs that are genuinely perceived by consumers as fantasy signs for the products or services covered — following the example of the “Nokia” trademark, made up of the name of a Finnish locality.

We also need to settle the debate on the combination of GIs and trademarks. In this respect, an outright ban on such combination, whether the trademark is individual or collective in nature, would make it possible to maintain a clear delimitation between two types of signs with distinct essential functions.

Some will object that the advantage of a trademark is that it allows the use of figurative elements that are attractive to consumers, hence the “marketing” interest in combining them. This problem could be solved by allowing GI defense and management organizations to add a logo to their word name. This avenue was considered in 2020-2021 when the European Commission drew up plans to reform GI regulations. Although it has been ruled out for the time being, it might be a good idea to get back to the drawing board on this point...

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