

# LEGAL SOURCES OF TRADEMARKS AND GEOGRAPHICAL INDICATIONS

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**Abstract:** *Trademarks and geographical indications are a highly internationally debated topic, mainly because of their economic value. This is why new international laws are created in order to keep up with the advances in economics, communications and internet. The article aims to study the international sources of law in trademarks and geographical indications field, in order to underline the applicable legislation.*

**Key words:** *intellectual property, law sources, trademarks, geographical indications*

## 1. Generalities regarding the international law sources

When talking about the international law sources, Romanian authors [5], [7], [11], [4], [1], together with international authors [10], are indicating two main sources: material and formal. The material sources represent reasons and processes that lead to law creation, such as collective mentalities, law science evolution, and social necessities [5]. The formal sources can be defined as juridical means that express an agreement between two or more international subjects, materialized through treaties, customs, and others [5].

The main formal sources are expressed by article 38 of the International Court of Justice statute mentioned in all the studies regarding the sources of international law: *'the Court, whose function is to decide in accordance with international law such disputes as are submitted to it, shall apply: a. international conventions, whether general or particular, establishing rules expressly recognized by the contesting*

*states; b. international custom, as evidence of a general practice accepted as law; c. the general principles of law recognized by civilized nations; d. subject to the provisions of Article 59, judicial decisions and the teachings of the most highly qualified publicists of the various nations, as subsidiary means for the determination of rules of law'* [39].

According to this international provision there are two types of law sources: main and subsidiary. These sources can be applied to the general provisions regarding international law, but also to some specific areas such as intellectual property.

## 2. From intellectual property to trademarks and geographical indications

Perhaps the clearest definition regarding intellectual property is provided by the Trade Related aspects of Intellectual Property Rights (TRIPS) Agreement, which, in its preamble, states that the object of the Agreement is the intellectual property. In the first article it is stated that

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the term 'intellectual property' is understood in the meaning of Part II of the agreement, namely, copyright and other related rights, trademarks, geographical indications, industrial designs, patents, layout-designs of integrated circuits, protection of undisclosed information [18].

The definition and classification presented in the TRIPS Agreement results from the two treaties that were at the basis of the Union founded to administrate the Conventions which formed the international substantial law in the intellectual property field, namely the Paris Convention (1883) on the Protection of Industrial Property and the Berne Convention (1886) on the Protection of Copyrights. The Paris Convention of 1883 included as industrial property parts: '*patents, utility models, industrial designs, trademarks, service marks, trade names, indications of source or appellations of origin and the repression of unfair competition*' [35].

WIPO (World Intellectual Property Organization) in its publication, books and manuals, defines intellectual property as '*creations of the mind*' [12] and considers that it is divided into two categories: copyright and related rights on one hand and industrial property including patents, trademarks, geographical indications, industrial designs, on the other hand [12], [15-17]. WIPO Convention considers that intellectual property should consist of the following elements: '*literary, artistic, and scientific works, performances of artists, phonograms and broadcasts, inventions, scientific discoveries, industrial designs, trademarks, service marks, trade names and names protection against unfair competition*' [36].

### **3. International source for trademarks and geographical indications**

#### **3.1. Multilateral and bilateral acts regarding trademarks**

The evolution of international relations in the trademarks field is based on treaties, agreements or conventions successively built-up aimed at coagulating an international system meant to protect trademarks in a worldwide uniform manner. The international relations have been established either at multilateral or at bilateral levels and focus on creation and amendment of international acts governing trademarks laws, rules and regulations.

As a rule, treaties are certainly the main international law sources and the most used tool in international relations [1], [5]. This rule applies also to trademarks international law. The main sources are the treaties administered by WIPO, and the TRIPS Agreement administered by WTO. These treaties represent multilateral acts, being generally addressed to as many parties as possible. Some of them have a general character others regulate some specific parts regarding trademarks.

Regarding the treaties administered by WIPO in the trademarks field the most important one is the Paris Convention regarding industrial property. This Convention was adopted during the Paris Conference of 1883, and entered into force one year later being generated by the dissatisfaction of some states with Austro-Hungarian Empire's insufficient protection of inventions during the Vienna International Scientific Exhibition (1873). The Convention was initially adopted by eleven states [14] today being signed by 173 [38].

The Convention was modified and amended in the successive years. The adopted amendments show that in reality the Convention was successively subject to

numerous changes in order to improve industrial property protection coverage and defense issues. Thus, it was amended in Madrid 1890-1891, at the Spanish government initiative, which presented four revision texts: one concerning the international registration of marks and another concerning the false representation of indications of origin. Later on the Convention was revised in Washington (1911), and by the 1925 Hague Conference that took place after the end of World War I, because of the dissolution of empires and the formation new nation formation. Further changes were adopted at the London Conference in 1934 and Lisbon Agreement in 1958, which developed a new agreement concerning the indications of origin of international registration. Another important Conference was held in Stockholm in 1967 which aimed at the creation of WIPO. In addition to these Acts modifying the Paris Convention there are other related international acts such as the Nairobi Treaty on the Protection of the Olympic Symbol (1981) and the Trademark Law Treaty (1994), which aimed to create the trademark protection administrative standard by introducing unique forms for different activities concerning trademarks protection. The Treaty of Singapore of 2006 was the latest adopted and proposed some new administrative procedures such as the electronic registration of trademarks, or some electronic correspondence types.

The TRIPS Agreement administered by WTO is of particular importance due to the intellectual property application in a specific area, the international trade. TRIPS provisions currently are undergoing a revision period regarding certain aspects such as geographical indications [34].

Of particular significance in today's context is the Internet Corporation for Assigned Names and Numbers (ICANN). Its rules stipulate the protection of

trademarks and geographical indications on the IP names field.

In the European Union several international acts are functioning, stipulating the conditions required in order to register a trademark or a community trademark. These are the First Council Directive of 21 December 1988 to approximate the Member States related trademarks laws (89/104/EEC), Council Regulation no. 40/94 of December 1993 on the Community Trademark, Commission Regulations No. 2868/95 of 13 December 1995 implementing the Council Regulation No. 40/94 on the Community trademark, Council Regulation no. 207/2009 of 26 February 2009 on the Community Trademark. All EU member states are applying the community trademark laws.

Bilateral acts represent documents concluded between two parties; these include the negotiations between states or international organizations, states and international organizations. Some examples are the negotiations between China and WTO regarding the accession to the treaties administrated by this organization including the TRIPS Agreement [8] or the agreements between UE and the acceding states to the regional organization. Several times these negotiations led to litigations, regarding certain trademarks overlapping with geographical indications or between identical trademarks registered in different countries by different entities.

### **3.2. Multilateral and bilateral acts regarding geographical indications**

The Paris Convention regarding industrial property has been amended and clarified mostly on indications of sources. Beside the Convention geographical indications are an object of the Lisbon Agreement (1958) regarding appellations of origin. The Lisbon Agreement remains a

controversial act, as most states are giving protection only to geographical indications, considering the appellation of origin as a special type of geographical indication. This is one of the reasons why the TRIPS Agreement, stipulating the protection of geographical indications in articles 22-24, has more contracting parties [37] compared to the Lisbon Agreement. Moreover the Paris Convention mentions the indications of sources only in a general manner.

There were many controversies regarding the difference between geographical indications and appellation of origin, manifested not only during the Lisbon Agreement negotiation but also in disputes between international actors. Such a case is the conflict settled by WTO between US and Australia vs. EU regarding the European protection system of appellation of origin [19].

Bilateral agreements refer especially to the conclusions of the negotiations between states such as the case of Czechoslovakia (and later Slovakia) versus Hungary for the 'Tokaj' region delimitation and implicitly the right to use the geographical indication with the same name. Another situation regarding the Tokaj region is the negotiations of EU accession during which the two parts needed to grant each other's rights regarding geographical indications. This agreement resulted in a case solved by the European Court of Justice regarding the right of an Italian wine producer to use the 'tocaï' term as a generic one for a certain mixture of wines [21].

#### 4. Custom

International custom can be defined as a general state repetitive practice, over a long period of time, considered by them as a conduit rule, with a binding juridical force. Custom has as binding force the tacit

agreement (*tacitum pactum*) [2] of the states and not the express one [1] concluded through an international act. In this category, we are including the following situations: acts emitted by ministries, state agencies, international organizations resolutions and declarations, treaties and multilateral acts applied by non-members states to the international act [1]. Some authors consider that the international organization activities can create customs using as an example the resolutions of the UN Security Council [5]. Some authors also mention the conferences, meetings organized by the international organizations that can express the practice of certain states, their opinion towards certain situations and towards certain rules [5], [7]. Others claim that customs can be created only by primary subjects of international law, meaning the states [11].

In the field of trademarks and geographical indications of particular importance is the activity of the '*Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications*' because this Committee proposes policies and international law interpretations regarding trademarks and geographical indications. Also in this Committee, states can express their point of view and propose international law modifications.

Some aspects that may be regarded as a certain type of customs may be the international conferences organized by WIPO to create a place where state representatives can express their concerns regarding different intellectual property aspects. Such is the case of the conflicts regarding trademarks and geographical indications between Cuba and USA [20].

A type of custom was applied in the registration of services. Initially there were only trademarks and product marks because in 1883 the services were not an

important topic in the economy. Later on, as the services developed, they were registered as trademarks linked to products to which they were applied. As a consequence of the importance of the growth of services the Paris Convention was modified and service marks appeared. Even so, the difficulty to define certain services remained (case *Praktiker Bau-und Heimwerkermarkte AG versus Deutsches Patent und Markenamt* [6]).

### **5. Unilateral acts and court decisions as sources of law for trademarks and geographical indications**

There are some types of international relations established through unilateral acts. In order to establish which acts can be included in the category of unilateral acts one must firstly analyze which types of international actors can issue such acts. Dragoş Chilea considers as international subjects of law the states and the international organizations [3], opinion embraced by others Romanian authors [9]. Other authors such as Malcom Shaw enquire if other international actors such as transnational corporations, individuals or liberation movements can be considered subjects of the international community [10]. Considering the states and the international organizations as the main legal subjects of interest in our study we can proceed to the analysis of the international unilateral acts emitted in the trademark protection process.

The main unilateral acts issued by states are: the notification, the recognition, the protest and the renunciation [3]. From the international organizations point of view, the issue of the unilateral acts is more complex because these are included in the type of norms defined as soft law, having, according to some authors, a lower legal binding value [2-3].

Applying these provisions to the intellectual property field, the declaration of protection, refusal of a trademark or the denunciation of a treaty are unilateral acts issued by states in accordance to their internal and international obligations. Consequently, the opposition of a state regarding the protection refusal of a trademark registered according to the Madrid System, for the international registration of trademarks is a unilateral act. In practice we can mention the Aspirin case whose protection is refused in many states, the reason being that it has lost the distinctive character that a trademark should hold [33]. The denunciation of the treaty can be made by an unilateral act. Such cases are El Salvador, Guatemala and Ecuador, which have unilaterally denounced the Paris Convention on the Industrial property and conjoined later on the Convention's contracting parties (1994 El Salvador, 1998 Guatemala, 1999 Ecuador) [38].

Among the unilateral acts adopted in the field of geographical indications there can be included mainly the opposition to registration issued by some states where either the given geographical indication is known under another form or the product is associated with another producer. Such examples are quite frequent in the Lisbon Agreement system of appellation of origin protection. The opposition and the refusal of protection can be divided into 3 categories:

1. *Refusal/ opposition based on a conflict between a geographical indication and a trademark:* for example the refusal of registration in Yugoslavia [32] and Peru [31] of the 'Pils' beer, or the registration refusal of the 'Bud' indication for beer products in Haiti [24], Moldavia [30], Georgia [23] and other states.

2. *Refusal/ opposition based on a conflict related to the registration of a geographical indication and the right of*

*production in that area*: a well-known case is the problem in the delimitation of the Tokay region. The matter resulted in the declaration of refusal of protection by Hungary, regarding the right of Czechoslovakia to register the appellation of origin [25]. We should also mention Frances opposition to the same registration [22].

3. *Refusal/ opposition based on cultural differences*: is the case of the refusal of protection by some Islamic states which opposed the registration on grounds that it is illegal to produce or sell alcoholic products. For example, Iran refused the registration of 591 appellations of origin among which: Bordeaux [26], Pilsen Pils [27], Budwar [28], Champagne [29].

**The court decisions** are an important source of law because in some cases it establishes guidelines for further litigations. This fact is obvious in the UE dispute settlement system, where judges often appeal to other decisions to point out similarities, and the way these cases were judged. In the WTO the same rules are applied.

Nevertheless we choose to state some interesting cases that arose in different forms in national, regional and international courts. Budweiser is a case settled in more than 100 courts around the world and has as objective the overlapping of a trademark (American Bud) with the geographical indication from Czech Republic. This case proves that the international rules in protection and defence field need improvements in order to create a uniform protection system and also an efficient dispute settlement system.

Macedonia is another interesting case because the situation is related to the international recognition of a state but it also created problems in the field of geographical indications and registration of state names and symbols.

The struggle of Cuba to impose its trademarks and geographical indications

protection in the United States during the 1983 US imposed embargo makes a very particular case. Related cases were heard before the US Courts (Cohibas, Bacardi), and in front of the WTO.

## 6. Conclusions

In the field of primary law sources related to trademarks we can observe that they benefit from an international uniform juridical system despite numerous discussions at international and national level. The geographical indications do not benefit from the same international uniform approach. If the Paris Convention and of the TRIPS Agreement regarding geographical indications are generally accepted, the Lisbon Agreement was not widely accepted, as only 27 states have signed it. This number fades in front of the 173 contracting parties of the Paris Convention or 158 members of WTO, which adopted the TRIPS Agreement. Also there is considerable effort to develop the existing legislation, and to implement new rules in accordance with the new social and technological evolution.

The custom is not such an important law source in comparison with the main sources, the treaties. Due to trademarks economic values the tendency is to leave as little as possible room for interpretation and subjectivity. The most significant activity is the one of the international organizations, establishing a standardized conduit regarding this issue.

In the field of unilateral acts as a law source we conclude that unilateral acts are most frequently used in the Madrid system and Lisbon system. They represent the position of a state stated through the intellectual property office, regarding either recognizing or rejecting an international trademark or a geographical indication.

The court decisions are important because they underline issues that exist in legal implementation processes, thus indicating needs for legal improvements. Certainly much has been done but there is still much to do especially if we look at the Budweiser case that stretches over 100 years and dozens of jurisdictions.

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