

# INTERNATIONAL JOURNAL OF LAW MANAGEMENT & HUMANITIES

[ISSN 2581-5369]

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Volume 6 | Issue 5

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2023

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# Meeting Point of Trade Mark and Geographical Indication: A Case Study of Budweiser Controversy

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## ABSTRACT

*This research paper provides a concise overview of the complex legal landscape surrounding trademarks and geographical indications, with a specific focus on the Budweiser case law. Trademarks and geographical indications play pivotal roles in protecting the rights and interests of producers, consumers, and regional economies. The Budweiser case law serves as an illustrative example of the intricate legal challenges that arise in reconciling these two vital intellectual property concepts. Trademarks are fundamental to brand identity, offering exclusive rights to distinguish goods and services in the market. Geographical indications, on the other hand, safeguard products' origin-based qualities, fostering regional identity and economic growth. The Budweiser case involves a beer producer in Budweiserland, known for its unique brewing techniques and flavors. The producer registered "Budweiser" as a trademark, seeking to capitalize on its reputation. Local authorities and competing producers, however, argue that "Budweiser" should be protected as a geographical indication, representing the region's beer-making heritage. This research paper explores the legal questions raised by the Budweiser case law, such as the compatibility of trademarks and geographical indications and the potential for consumer confusion. It delves into the need for a balanced legal framework that respects both forms of intellectual property, preserving the commercial interests of producers while honoring the cultural and economic significance of geographical indications. The evolving legal landscape necessitates nuanced solutions to ensure the coexistence and fair protection of intellectual property concepts, fostering innovation, cultural preservation, and economic growth in a globalized world.*

**Keywords:** *Trademark, Geographical Indication, Difference, Budweiser Case.*

## I. INTRODUCTION

Geographical Indications and Trade Marks are both different intellectual properties, yet there has always been some overlapping between the two. This has been the result of the various international agreements following distinct approaches and not mandating a single mode of the

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application of GI. As a result, different countries have provided different modes of protection to GI, overlapping it with TM in process. But TM and GI are both different IPs and must not be confused together.

## II. GI & RELATED TERMINOLOGIES

The growth of concept of GI has seen a developing meaning. Through different times and jurisprudence, it has been termed with different names and respective meanings. Historically, there have been three international agreements referring to GI which are – Paris Convention, 1883, Madrid Agreement, 1891 and the Lisbon Agreement, 1958. Later, the outlook of all these agreements were unified by the TRIPS Agreement and the phrase “indications of geographical origin” was used by the WTO to evade any disorientation vis-à-vis other legal notions originating from these international agreements. These agreements describe the GI as follows:–

**Paris Convention for the Protection of Industrial Property (1883):** The first multilateral agreement which included “*indications of source or appellations of origin*” as objects of protection especially against the misleading ones as provided by Article 10*bis*. Article 1(2) of the Convention has recognised distinctively the existence of GIs as a form of IP rights but nowhere defines it. Article 10 provides for certain remedies against unlawful use of indications of source on goods, however, the Convention nowhere provides for any special remedies as such.

**The Madrid Agreement for the Repression of False or Deceptive Indications of Sources on Goods (1891):** Article 1(1) provides for the remedy of seizure of goods bearing false or deceptive indications of one country on importation into any other member country. This Agreement, apart from the aforesaid provision, didn’t add anything substantial over to the already existing Paris Convention. India is not a member to this Agreement.

**The Lisbon Agreement for Appellations of Origin (1958):** This Agreement appropriately defines appellation of origin under Article 2 and establishes two essential prerequisites for their protection. These are: -

1. The Appellation must be protected in the home market.
2. The Appellation must be registered with the WIPO.

Once an Appellation is protected under WIPO, it cannot become a generic name as long as the product remains protected in its home market. No renewal is required.

**Trade related aspects of Intellectual Property Rights (1995):** Under this Agreement, only those goods originated in the respective territory associated with their geographical origin in

terms of its quality, reputation, or other characteristics are entitled, and not every indication of origin, to be a GI. Licensing the name of such is therefore not allowed.

TRIPS Agreement recognises a comparatively higher standard of protection to the wines and spirits than other goods. In most nations, GIs have been given statutory protection where the related goods are defended as GI which doesn't mean that any person can be barred from manufacturing it anywhere. Such persons are only restrained from adopting the name registered as a GI. GIs can be broadly termed as the following: -

- Simple, quality neutral, GI of source ('Made in...' or 'Product of...'), it is direct with no attribution of product to geographical origin (referred to as Indication of Source).
- Qualified geographical indicators, characters, equality, reputation, of products essentially attributable to a territory of origin, etc. (referred to as Appellation of Origin). It is an indirect method of naming GI.

### **III. JUSTIFICATION OF GEOGRAPHICAL INDICATION**

- Equity considerations – GI is not a private right, thus to make sure all the producer in a given geographical area can freely use it in course of trade.
- Conservation concerns – Preserving the environment, biodiversity and sustainable agricultural practices
- Preservation of traditional practices and culture – Protection of GI products would be used to raise the profile of the knowledge and the people entrusted with it both within and outside the communities.
- Avoiding “bio piracy” – Prevention of appropriation by unauthorized parties; and promotion of its use and its importance to development should be there. Due to regulated use of GI protected products and guarantee of a certain quality and standard by GI, misappropriation and misuse is actually minimized.

### **IV. INTERFACE BETWEEN TRADEMARK AND GI**

GI and TM overlap in many ways. GI is considered a subset of trade mark. Both refer to sign of indication, provide exclusive use, etc., but are entirely different from each other in many ways:

<b>TRADEMARK</b>	<b>GEOGRAPHICAL INDICATION</b>
Identifies the goods and services originating from a particular company.	Identifies the goods originating from a particular place.

<p>Applies to goods and services both.</p>	<p>Only applies to goods.  (Peru and Switzerland apply it to services as well).</p>
<p>It is private monopoly. Only owner or an undertaking or authorised person can use it.</p>	<p>Not a private monopoly but a collective protection, given to group of manufacturers in their respective geographical location. All producers in that geographical region are allowed to use it subject to fulfilment of that quality, characteristic or process essential for such product.  It is based on equity.</p>
<p>Can be a letter, a word, numerals or simply a number, or a combination of letter(s) and numbers, an abbreviation, a name, a device or figurative element, a hologram, a sound or a smell.  It is universal in nature.</p>	<p>Can only be a politico-geographical name (a place).  It is territorial in nature.</p>
<p>It can be licensed and assigned to anyone in the world.</p>	<p>GI maybe used by any person residing in place of origin, but it cannot be licensed or assigned to any person outside place of origin or any person not group of authorized producers because of its link with origin.</p>
<p>A trademark is developed by human creativity. It is the human creativity or intellect that determines the distinctiveness or the uniqueness of a trademark. A trademark can be Suggestive, descriptive or arbitrary.</p>	<p>GI identifies the product on basis of its place of origin. Factors such as the topography, human work, climate etc. of a specific geographical location determines the nature of the GI.</p>

<p><i>A CTM application can include, for example, region or location or origin, materials of construction, method or mode of manufacture or provision, quality assurance, accuracy of the goods or services or any definable characteristic of the goods or services. It can also certify manufacture or provision of services by members of a union or other organization to certain standards.</i></p>	<p>A GI is only an indication (or certification) of the geographic origin of goods (not services mind you! CTMs cover services) and quality or characteristics of the goods that are directly attributable to the geographic origin.</p>
<p>It is easier to protect because all countries have sui generis protection for TM.</p>	<p>It is not easy to protect because not every country has separate protection regime for GI. They have overlapping system of protection.</p>
<p>TM is always under threat of being generic and losing protection.</p>	<p>GI can be generic depending upon the laws a country is following. Different International agreements and countries follow different approaches.</p>

## V. GI PROTECTION IN THE US AND EU

**The United States of America:** In USA, GI is protected under two heads: Spirits & Wines and Trade Marks (Collection Marks / Certifications Marks / Well Known Trade Marks).

**The European Union:** EU Laws provide GI three types of protection: Trade Marks, Sui Generis for Wines and Spirits and Agricultural products & foodstuffs. They grant protection under heads: Protected Designation of Origin (PDO) for agricultural products which are prepared, processed, and produced at one place being indicated as GI, Protected Geographical Indication (PGI) for agricultural products which are at least processed, produced or processed in place to be indicated as GI and Traditional Speciality Guaranteed (TSG) highlighting character either composition or means of production.

## VI. CONFLICT MANAGEMENT RULES

Under different jurisprudence different rules have been evolved to resolve conflict between the

TM and GI. Over course of time, three kinds of rule are followed to resolve conflict. These are as under:

- i. First in time, first in Rights (FITFIR):** It is also referred as priority of signs giving primacy to one which is legally recognized earlier. It follows the idea of priority and exclusivity. It is generally helpful in deciding conflict where TM is registered in one jurisdiction and GI sign over same product is granted in some other jurisdiction.

  - In **US Canada** dispute, Italian Consorzio wished to trade mark **PARMA** as collective mark for farm air dried ham, but could not be protected because **PARMA** was already registered in both countries for pork products.
  - Similarly, **Great Western** dispute in Australia having small wine produced in Victoria, well known for wines but owner didn't possess 85% of its grapes from Great Western thus fall out of category. **USA mainly uses this rule of conflict.**
- ii. Coexistence of both TM and GI:** It proposes that both TM and GI be allowed to exist together, but it compromises the exclusivity of the prior right. WTO dispute between EU and Australia/US where it was contested that co-existence rule was incompatible with the TRIPS owing to Article 16.1. But it was ruled that suitable qualified coexistence is permissible under TRIPS since fair use is allowed as exception under article 17.
- iii. Supremacy of GI Over TM:** Article 5(6) of the LISBON treaty mentions that GI is given primacy over TM. It mentions that even if any third state has already protected TM the within 2 years it has to end such protection.

  - **TORRES wine by Torres Family** was endangered by 1990 by registration of Torres and Torres as GI. But **Grandfather Clause** saved it. **EU uses this rule purposely.**

EU separately provides for three conflict management rules. Under Council Regulation 510/2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs, it provides as follows:

1. Article 3(4): Primacy of TM over GI. TM prevails for its reputation and renown and the length of time it has been used.
2. Article 14(2): It provides for Co-existence of both TM and GI. If pre-existing TM interferes with the protection granted to GI under article 123, the TM shall be allowed to exist.
3. Article 14(1): If GI is registered earlier than TM, then TM shall be given primacy.

- Overall these 3 conflict management rules appear to favour GI over TM.

## VII. CASE LAWS

It is now and rather important for us to go into the practicalities of this interface between trade mark and geographical indications adopted by courts of pertinent jurisdictions by touching upon the landmark judgments made by them. In this study, we have restricted ourselves only to the courts of India, UK and USA.

### (A) India

Indian courts witnessed their first ever conflicting case between geographical indication and trade mark in 2004 when the defendants started using the mark “New Bikanerwala” for their restaurant which didn’t make the plaintiff at all happy, who were using “Bikanerwala” as their trademark for namkeen & sweets, since 1981 and thus, came the case of *Bikanerwala v. New Bikanerwala*<sup>2</sup>. Defendants contented that Bikaner is a state in Rajasthan and the use of such name in plaintiff’s trade mark doesn’t give them the monopoly over the use of such word which is a geographical location. The court, in this case, held that even if a trade mark contains or refers to a geographical name, but conveys a distinct and specific meaning in common parlance as to indicate the origin of the person or product and has assumed a secondary significance, the same can be constituted as a valid trade mark. The defendants were enjoined from such use also on the account of their *mala fide* and deceitful intentions.

In *Tea Board, India v. ITC Ltd.*<sup>3</sup>, plaintiffs, who were using the mark “Darjeeling Tea” for tea and related goods, filed a suit against defendants’ “Darjeeling Lounge” being used for their hotel services. The Kolkata High Court expressly mentioned that there is a difference between a mark used for goods and a mark used for services and held that a registration over the mark “Darjeeling Tea” does not confer with the plaintiff any right over the use of the word “Darjeeling” which is a geographical name after all. One cannot be prevented from using such a word either independently or with another suffix or prefix. This will also not lead to confusion among the general public as it is in the public knowledge that Darjeeling is a geographical location in the North-East part of India.

### (B) United Kingdom

Champagne is a region in France which is popular for its white wine which is produced there only and then consumed worldwide. In *Bollinger v. Costa Brava Wine Co. Ltd.*<sup>4</sup>, also known as

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<sup>2</sup> 2005 (30) PTC 113 Del

<sup>3</sup> MANU/WB/0277/2019

<sup>4</sup> [1961] 1 WLR 277



the *Spanish Champagne case*, there were 12 plaintiffs who were carrying this business of producing in this Champagne district of France and then selling these Champagnes (French white wine) across all of England & Wales. The defendants started selling their wines which went by the name of “Spanish Champagne” which was produced in Spain and thus the name. This wine allegedly possessed certain characteristics of the Champagne of France. The Court observed that although “Champagne” is recognised in its generic sense across the globe but the same is not the case in Europe. The general public here is well aware of the fact associated with Champagne. Also, in Europe it is illegal to label any product as “Champagne” unless it comes from the Champagne region of France plus it is produced under the rules of their geographical appellations. In the present case, an important fact to be noticed is that the defendants were using “Spanish Champagne” only in the British market while in their own country, Spain, “Perelada” was being used as trade mark. This confirms the deceiving nature of the defendants. Therefore, defendants were injuncted.

### **(C) The United States**

This country has been diluting the importance of a geographical indications by granting no protection over it, thereby, only recognising trade mark under their Code. Some of these incidents can be depicted from the use of the words such as “Caramel” for wines, otherwise the name of a mountain found in Palestine, Israel. “Tabasco” is a name not unrecognised by people who often find themselves in bars and restaurants as the said name has been trade marked for sauce. Tabasco is otherwise a state in Mexico. Our analysis is that such use should otherwise create confusion as people are likely to get confused as to the origin of the product.

### **(D) The Budweiser Controversy**

Since a hundred years now, a legal controversy is still persisting between two beer brewing companies – Anheuser-Busch, American and Budejovicky of Czech Republic over the right to use the trade mark “BUDWEISER”. The disagreements over the right to use the trademark started in late 1870s, when the brewers began to export their like-named products to markets beyond their national borders. Attempting to legally win the exclusive right to the trademark use, the dispute has been taken to courts in different countries. The results so far did not provide either party the exclusive right to the name, but rather resulted in the division of market. Although, certain jurisdictions have reached some conclusion which is mentioned herein and should not be construed as the researcher’s agreement or disagreement with it.<sup>5</sup>

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<sup>5</sup> TED/GIANT Case Studies – Who Owns the Name Budweiser? Available at: <http://mandalaprojects.com/giant-project/budweis.htm> (Last visited – Feb 07, 2023).

US – Anheuser-Busch obviously stays as the only rightful proprietor of the disputed trade mark, also because of the fact of it being the first company to use the mark in the American jurisdiction.

UK – Meanwhile, the Court of Appeals recently held that both the parties shall be the rightful owners of the mark Bud and Budweiser and therefore, both can use their trade marks in the said jurisdiction.

In other jurisdictions, the case is either pending or has been decided in favour of the party using the mark prior to the other also because of the fact of its prior establishment in that jurisdiction.

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