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# Protection of Geographical Indications – What is it and What’s in it for Norway? – Thoughts from the Outskirts of Europe

## **Abstract**

[extract] The increasing economic significance of geographical indications is in deep contrast to the relatively weak international protection we have seen so far. National or European Community regulations are not sufficient as means of international protection, since this kind of protection does not exceed the borders of the nation or the European Union.

The commercial value of geographical indications is closely related to their function as individualising symbols of goods of a specific geographic origin, and their value in marketing. The traditional function of geographical indications is principally to serve as a designation of origin. The geographical indication immediately involves association with the geographical origin of the product. It is the association to the place of origin that individualises the product.

## **Keywords**

geographical indications, protection, international law, Norway

# PROTECTION OF GEOGRAPHICAL INDICATIONS – WHAT IS IT AND WHAT'S IN IT FOR NORWAY? – THOUGHTS FROM THE OUTSKIRTS OF EUROPE<sup>1</sup>

*By John Asland<sup>2</sup>*

## Introduction

Geographical indications, in a broad sense, are words, signs or symbols that indicate or imply that a given product or service has its origin in a specific area or a specific place. Examples are *Champagne* and *Russian Caviar*. These are also examples of geographical indications of quality. These designations indicate characteristics, quality or reputation that can be established by objective measures. Geographical indications in the broad sense do also include 'quality-neutral' designations of goods and services with a link to a geographic area. The fact that the definition also includes signs and symbols implies that not only designations that comprise the geographical name in the substantive, adjectival or adverbial form are included, but also so-called indirect geographical indications of source. Examples of indirect geographical indications of source are the picture of the *Holstentor* in Lübeck on the wrapping of *Lübecker Marzipan*, and the so-called *Bucksbeutel-bottle*, a round and flat bottle used for wine from the Franconia area and some places in Baden in Germany.<sup>3</sup>

The expression geographical indication is also used in a more narrow sense e.g. in the EC Council Regulation No. 2081/92 of 14 July 1991 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs (the Agricultural Regulation), in the TRIPs-agreement, (TRIPs<sup>4</sup>), and the Norwegian regulation of 5 July 2002 No. 698 on protection of geographical indications, designations of origin and agricultural products and foodstuffs of specific character (the Protection Regulation). When the expression geographical

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1 The article is based on the author's Master's thesis from the University of Oslo, and is a translated and reduced version of his article in *Tidsskrift for Rettsvitenskap* (TfR) 2003 p. 366 et seq.

2 The author is research fellow at the Department of Private Law, University of Oslo, and has previously worked in the Intellectual property department of the law firm BA-HR.

3 Judgement of the Bundesgerichtshof of March 12th 1971, 'Bocksbeutelflasche', GRUR 1971 p. 313 and C-16/83 from the European Court of Justice (ECJ).

4 Agreement on Trade-Related Aspects of Intellectual Property Rights. TRIPs is a sub-agreement to the WTO-agreement.

indication is used in this text, it is used in the broad sense, unless there is a contrary indication.

From the earliest trade between different societies, certain goods have been linked to specific regions or localities. This is often due to conditions like climate, soil or other conditions that contribute to the quality, characteristics or reputation of the goods. It may also be the skills of the local farmers or craftsmen that are essential to the reputation of the goods. And it may even be that there are long traditions of producing specific products even though none of the prerequisites mentioned above are fulfilled.

From ancient Greece we know of designations like marble from *Paros* or *Pentelli*, wine from *Naxos*, *Chios* and *Rhodes* and pottery from *Tanagra*. The Romans had geographical indications of wine like *falerner* and *massiker* in Caesar's days.<sup>5</sup> Whether these designations were subject to some kind of regulations in ancient times is unknown. From medieval times, however, we know of some provisions concerning false indications of the source of goods. *Knoph* mentions a regulation from the guild of Nuremburg that prohibits the sale of goods under a false name; e.g. presenting French wine as Rhine wine.<sup>6</sup>

The issue of geographical indications is an issue of growing significance in commercial policy. Higher standards and demands for quality among consumers leads to an increasing demand for products of a certain geographic origin and quality, which eventually leads to an increasing interest in protection in the countries of origin. Many governments across the globe are also realising that the economic potential of geographical indications is far from being fully exploited, and various means are used to stimulate trade and industry to a more intensive exploitation of these values.

Export-oriented members of the European Union, like France, Spain, Italy and Germany, have traditionally had a strong culture of geographical indications. In these countries geographical indications constitutes an important economic factor.<sup>7</sup> In the most important export markets for such goods, USA, Canada, Australia and Latin-America, the protection of geographical indications is weak due to historical reasons, and they are granted only a minimum level of protection. Thus it is of great importance for the European Union to push these states towards a higher level of protection of geographical indications.

The increasing economic significance of geographical indications is in deep contrast to the relatively weak international protection we have seen so far.

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5 *Reger* p. 98

6 *Knoph: Åndsretten* p. 511.

7 The approximately 450 AOC-designations in France (appellations d'origine contrôlée) gave an export income of some 5,1 USD in 1997. The figures are from *Reger*, note 177 on p. 95.

National or European Community regulations are not sufficient as means of international protection, since this kind of protection does not exceed the borders of the nation or the European Union.

The commercial value of geographical indications is closely related to their function as individualising symbols of goods of a specific geographic origin, and their value in marketing. The traditional function of geographical indications is principally to serve as a designation of origin. The geographical indication immediately involves association with the geographical origin of the product. It is the association to the place of origin that individualises the product. The consumers are able to distinguish a product from similar products of another origin through the geographical indication. We can compare this with the main functions of trademarks, and find both similarities and differences. To borrow an expression from the famous Norwegian professor *Ragnar Knoph* it may be said that:

..both the individual designations of goods and the designations of origin aim at indicating where the product comes from, the first leads back to a certain manufacturer or tradesman whereas the last leads to the place it was made. The most important similarity is however that the regulations are based on the same foundation as parts of the battle against unfair competition.<sup>8</sup>

The reference to geographical origin is particularly essential to uncultivated agricultural foodstuffs, where a reference to the producer and the commercial origin is of minor importance. It is first and foremost the place of origin that individualises agricultural products. The making of agricultural products is usually split up in many small units (farms), and thus a reference to the commercial origin of the product is a matter of minor importance to the consumers.

A consequence of the use of geographical indications as individualising designations is that they are recognisable among consumers. This effect may, if the product has a reputation for a certain quality or otherwise satisfies the customers, lead to repeat purchases. The product and the geographical indication will develop goodwill. Through this process, the geographical indication develops into a designation of quality which may be decisive in a purchase situation, and thus becomes an advertising asset. However, there is seldom an objectively measurable connection between the quality of the product and its origin. It is often a matter of opinion, coloured by consumers’ conscious or subconscious notions. The manufacturers are aware of this commercial potential. Large amounts of money are spent on promoting the highest possible degree of recognition.

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8 *Knoph*, Åndsretten p. 481.

Abuse of geographical indications is a recurring problem. Manufacturers from other places than the place of origin take advantage of the commercial value of the designations.<sup>9</sup> They may be simple forms of abuse, such as plain usage of the designation on products without the geographical connection, but also more sophisticated forms of abuse of the commercial value and goodwill connected to the geographical indications. The abuse may occur through free riding on the reputation or diluting the designations through the use of delocalising or correcting additions,<sup>10</sup> or through use of the geographical indication on goods from the right area but with a lower quality.

In addition to the problem of the misuse of geographical indications by other manufacturers, there is a problem that geographical indications may degenerate into generic designations. Degeneration means that a geographical indication no longer is recognised as a geographical indication, but merely as a description of specific kinds of goods (a common noun). This is a major problem for famous geographical indications such as *Champagne* or *Cognac*. The problem is the same as in trademark law, where the strongest trademarks are in danger of degenerating into generic designations.<sup>11</sup> A final problem is that geographical indications are registered as trademarks and thus monopolised for certain companies. Attempts to solve the problems addressed above are made internationally through treaties and nationally through legislation.

To avoid abuse of geographical indications, different concepts of protection, both on a national and an international level, have been developed. The concepts of protection can be traced back to two totally different legal doctrines. Some of the difficulties in establishing international protection of geographical indication result from the problem of adapting these two concepts of protection.<sup>12</sup>

The first of these is primarily a concept of competition law, and consists of a prohibition against misleading the public which has its roots in the protection against unfair competition and good business practice. According to this concept the geographical indications are not seen as intellectual property. The protection is indirect and reflects the prohibitions against unfair competition and misleading the public.

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9 E.g. more than 90 % of the goods sold as 'Lübecker Marzipan' in the nineteen sixties was made in Lübeck. Through a number of court decisions in the nineteen seventies and nineteen eighties, the geographical indication was saved from degenerating into a generic designation. *Lübecker Marzipan* is today registered as a geographical indication under the Agricultural Regulation.

10 I.e. appendixes or expressions such as 'kind', 'type', 'style', 'imitasjon' or the like.

11 On degeneration in general see *Holmqvist*, Degeneration of Trade Marks.

12 For further reading on the concepts of protection see *Asland*, TFR 2003 p. 371 et seq. and *Reger*, p. 122 et seq.

The second concept is of an intellectual property character, and grants a direct protection in the same way as registered trademarks. The geographical indications are protected as such. According to this model of protection the criteria for protection, geographical connection and quality requirements, are examined in a formal process, and the geographical indication or designation is recorded in a register.

Besides these two concepts of protection several countries register geographical indications as collective marks or so-called *‘certification marks’*.<sup>13</sup>

## International Protection of Geographical Indications

### *International Conventions*

The international protection of geographical indications has developed in various stages and on various levels. Until the TRIPs Agreement came into force in 1995, the protection on the international level was based on the Paris Convention and its global protection systems, the Madrid Agreement of 1891 and the Lisbon Agreement of 1958, both addressing the protection of geographical indications.<sup>14</sup> Norway is a member of the Paris Convention, but not to the sub-agreements.

The Paris Convention concerns industrial property, and it lists *‘indications de provenance’* and *‘appellations d’origine’* as objects of protection. This implies that the basic principle of the convention – national treatment – also applies to geographical indications. National treatment means that each member state is obliged to offer citizens of other member states equal treatment to their own citizens. However, national treatment does not grant foreign citizens a minimum protection – they just enjoy the same protection as domestic citizens. If this protection of domestic geographical indications worthy of protection is weak, like in the USA, national treatment is of minor importance to the protection of foreign geographical indications. Except for article 10 first paragraph, dealing with false indications of source, there are no special arrangements for geographical indications in the Paris Convention. I will come back to the interpretation of article 10*bis* on unfair competition below while discussing TRIPs. The Paris Convention does not mandate the use of one specific concept of protection.

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13 This option is open in Denmark and in several Anglo-Saxon countries where the protection of geographical indications otherwise is weak or absent. In the proposed new Norwegian Trademarks Act (The Trademarks Report II, NOU 2001:8), the Danish system is proposed to be implemented in Norway. The proposed section 13 subsection 4 says that: ‘Signs used to indicate the geographical origin of the goods, may irrespective of the provision in subsection 2 be registered as a collective mark.’

14 The Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods of April 14th , 1891 and the Lisbon Agreement for the Protection of Appellations of Origin and their International registration of October 31st , 1958.

The Madrid Agreement is, like the Paris Convention, neutral regarding concepts of protection. However, it requires that the states grant protection against misleading use of geographical indications. This is a stronger protection than what we can deduce through a restrictive interpretation of the Paris Convention.

The Lisbon Agreement requires a higher level of protection. Appellations of origin are granted a high level of protection in line with the protection of registered trademarks. Protection under the Lisbon Agreement is, however, only open to states that apply the concept of '*appellations d'origine*'. A concept of unfair competition, which applies in Norway, does not comply with the requirement of domestic protection in the Lisbon Agreement. Important actors in international trade, such as the USA, Germany and the South-East Asian countries are not members of the Lisbon Agreement, and neither is Spain even though Spain has got its own system of registered appellations of origin.<sup>15</sup>

TRIPs is the latest addition to the line of international conventions protecting geographical indications.<sup>16</sup> Geographical indications are regulated in TRIPs articles 22 to 24. TRIPs is based on the principles of National Treatment and Most-Favoured-Nation Treatment. Most-Favoured-Nation Treatment implies that any advantage, favour, privilege or immunity granted by a Member to the nationals of any other country shall be accorded immediately and unconditionally to the nationals of all other Members.<sup>17</sup>

Geographical indications are defined in article 22.1 as: 'indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin'. Contrary to the EC Regulations mentioned below, there are no product specific criteria of protection. The only limitation in this sense is that services are not an object of protection under TRIPs.<sup>18</sup> Like the EC Agricultural Regulation, TRIPs requires a connection between the good and its geographical origin. A given quality, reputation or other characteristics of the good must be essentially attributable to its geographical origin.<sup>19</sup>

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15 According to the Spanish Act No. 25/1970 on wine, wine areas and alcohol art. 84 and 85 wines may bear an appellation of origin ('denominación de origen') or a qualified appellation of origin ('denominación de origen calificada'). See the Rioja-decision by the ECJ (case C-388/95).

16 The TRIPs Agreement is a part of the package deal that was the result of the Uruguay-round in the General Agreement on Tariffs and Trade (GATT) that lead up to the establishment of The World Trade Organisation (WTO).

17 TRIPs article 4.

18 Services, e.g. Swiss banking was protected in Swiss proposal in the Uruguay-round.

19 The qualification 'essentially' has no equivalent in the Agricultural Regulation article 2.2 litra b. This distinction may indicate that the requirements of the connection



The core of the commitments in article 22.2 is that member states are obliged to protect geographical indications against misleading use and any use which constitutes an act of unfair competition within the meaning of Article 10*bis* of the Paris Convention.<sup>20</sup>

Article 22.2 litra (a) imposes a duty on the Member States to provide legal means to prevent ‘the use of any means in the designation or presentation of a good that indicates or suggests that the good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the good’. When the provision uses the term ‘suggests’ in addition to ‘indicates’, this indicates that not only positively false indications of origin but also means that evoke certain associations among the public must be prevented. It is uncertain whether ‘suggests’ also comprises use of correcting or delocalising additions.

Article 10*bis* of the Paris Convention is a general clause in international competition law. According to the first paragraph, the provision shall assure to the nationals of the Paris Union ‘effective protection against unfair competition’. In order to assure such protection, the member states are obliged to prohibit ‘any act of competition contrary to honest practices in industrial or commercial matters’.<sup>21</sup> Examples of unfair competition are given in the third paragraph. Although the Paris Convention is more than one hundred years old, there is no international consensus on the content of the provision. However, WIPO has published so-called ‘Model Provisions for Protection Against Unfair Competition’, which contains

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between the characteristics of a product and its origin are higher in TRIPs than in the Agricultural Regulation. See *Knaak*, GRUR Int. 1995 p. 647; *Reger* p. 162.

20 The reason why misleading use and unfair competition are alternative ways to violate article 22 lies in the history of article 10*bis* of the Paris Convention. Article 10*bis* was given its present wording at the Revision Conference in Lisbon in 1958. Article 10*bis* third paragraph deals with misleading designations, and reads as follows: ‘indications or allegations the use of which in the course of trade is liable to mislead the public as to the nature, the manufacturing process, the characteristics, the suitability for their purpose, or the quantity, of the goods.’ It is noteworthy that misleading indications of source is not included. From a European point of view a prohibition against misleading indications of source is a central and natural part of the protection against unfair competition. However, a proposal from Austria to include misleading indications of source in the provision, stranded due to resistance by the American delegation. Due to this background it is today somewhat uncertain whether unfair competition in article 10*bis* of the Paris Convention comprises misleading indications of source. To take away any doubts to whether or not this kind of misleading indications is prohibited by article 22.2 of TRIPs, it is expressly taken in as an alternative kind of violation on equal status with unfair competition within the meaning of article 10*bis* of the Paris Convention.

21 Article 10*bis* 2nd paragraph.

recommendations about the interpretation and application of the general clause, but these recommendations are not binding in international law.<sup>22</sup>

Additional protection for geographical indications for wines and spirits is given in article 23 of TRIPs. The provisions of article 23 are more accurate and more comprehensive than the general provisions in article 22, and supplement the general provisions. Consequently there is a double set of protective regulations for these products. Article 23.1 imposes a duty on the member states to provide legal means for interested parties to prevent use of geographical indications identifying wines for wines or spirits not originating in the place indicated by the geographical indication in question. The obligation to prevent use extends to translations of the geographical indication or where the indication is accompanied by correcting additions. Like in the Lisbon Agreement, the prohibition does not depend on risk of confusion.

Article 22.3 emphasises that the prohibition against misleading the public in article 22.2 *litra* (a), also applies to registration of trademarks. A trademark that contains or consists of a geographical indication with respect to goods not originating in the territory indicated, shall be refused registration or invalidated if the use of a trademark for such goods in that member state is of such nature as to mislead the public as to the true place of origin. Article 23.2 contains an obstacle to registration for trademarks for wines containing or consisting of a geographical indication identifying wines, with respect to such wines not having this origin. The same applies to registration of trademarks for spirits not having the origin of the geographical indication. The exception in article 24.5 allows coexistence between geographical indications and similar or identical trademarks applied for or acquired before the date of application of the TRIPs provision or before the geographical indication was protected in its country of origin, provided they were acquired through use in good faith.

No agreement was reached on provisions that could eliminate the risk of degeneration, like the provisions in the Lisbon Agreement and the Agricultural Regulation mentioned above. Degeneration is seen as a question of actual development that is not possible to stop or reverse by law.<sup>23</sup> Neither are there in TRIPs provisions to re-establish geographical indications that have already become generic terms. The situation is better when it comes to mechanisms that decrease the risk of degeneration in the future. The prohibition against correcting and delocalising additions to geographical indications for wines and spirits implies that an important factor in the process of degeneration is thus eliminated. The obstacles to trademark registration also imply steps in the right direction in the battle against degeneration.

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<sup>22</sup> *Henning-Bodewig*, IIC 1999 p. 182.

<sup>23</sup> *Reger* p. 200.

The effect of the protection is undermined by the exception in article 24.6. Geographical indications that have already degenerated, may still be used as generic terms despite the strict regulations in article 22 and – especially – article 23. According to this provision the Americans may still use the designations *Champagne* and *Chablis* on wine produced in America, and we can keep on brewing *Pilsner* beer in Norway. Generic terms are defined in article 24.6 as ‘the term customary in common language as the common name for such goods or services’. According to article 24.9 TRIPs does not impose any obligations to protect geographical indications which are not, or cease to be protected, in their country of origin, or which have fallen into disuse in that country.

### ***The Protection within the European Union***

Protection of geographical indications could be seen as a manifestation of protectionism, incompatible with the basic principles of the European Economic Community (EEC). To what extent geographical indications were protected by European Community law was unclear for decades. The *Touron*-decision of 10 November 1992 was a breakthrough for the protection of geographical indications in European Community law.<sup>24</sup> The issue in this case was whether the protection of geographical indications in the Franco-Spanish agreement of 27 June 1973 was compatible with the free movement of goods or the exceptions from this principle in the EEC Treaty article 36 (article 30 in the present treaty), in the interest of protection of industrial and commercial property. The background for this case was that the Spanish designations of marzipan, *Turrón de Jijona* and *Turrón de Alicante*, which were listed in the appendix to the Franco-Spanish agreement, were used in France on French marzipan. The designations were used by French manufacturers with and without delocalising additions. The French manufacturers claimed that ‘Turrón’ or ‘Touron’ had degenerated and become a generic term. Degeneration was, however ruled out by the Franco-Spanish agreement, which expressly precluded transformation into generic terms. The question was sent to the ECJ, which concluded that the Franco-Spanish agreement did not violate the EEC Treaty article 30 and 36 (the present articles 28 and 30). Contrary to previous EC case law,<sup>25</sup> and the Commission’s opinion, the court recognised the need for protection for all geographical indications, including quality-neutral indications of source. ECJ further explained that this protection, regardless of its form, falls within the protection of industrial and commercial property within the meaning of article 36 (the present article 30) of the EEC Treaty.

It is not an easy task to develop a uniform system of protection of geographical indications within the EEC. Instead of a uniform system of protection embracing all categories of products,<sup>26</sup> a half-hearted system of product specific regulations of

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24 Case C-3/91.

25 Decision of the ECJ of February 20th 1975 in case C-12/74 (*Sekt/Weinbrand*).

26 This was proposed in a report by *Ulmer* in 1965. See *Reger* p. 137.

protection has been developed, especially within the agricultural sector. This may be a consequence of the fact that the aim of protection within the EEC was not actually a uniform regulation of competition law, but to protect the sale and distribution of agricultural products of high quality within the union.<sup>27</sup> The product specific regulations are first and foremost: Council Regulation No. 2392/89 of 24 July 1989 laying down general rules for the description and presentation of wines and grape musts, now replaced by Council Regulation No. 1493/99 of 17 May 1999 on the common organisation of the market in wine (the Wine Regulation), Council Regulation No. 1576/89 of 29 May 1989 laying down general rules on the definition, description and presentation of spirit drinks (the Spirit Regulation) and Council Regulation No. 2081/92 of 14 July 1992 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs (the Agricultural Regulation).<sup>28</sup>

The Wine Regulation of 1999 has a much broader focus than the Wine Regulation of 1989. It replaces several EC Regulations and comprises rules governing 'wine-production potential, market mechanisms, producer organisations and sectoral organisations, oenological practices, description, designation, presentation, quality wine psr [quality wines produced in specified regions], and trade with third countries'.<sup>29</sup> The Wine Regulation grants extensive protection against misleading use and usages that are likely to confuse the public. Article 48 of the Wine Regulation says: 'The description and presentation of the products referred to in this Regulation, and any form of advertising for such products, must not be incorrect or likely to cause confusion or to mislead the persons to whom they are addressed'. This applies even if the information is used in translation or with correcting or delocalising additions. The protection is linked to the provisions of TRIPs, as stated expressly in article 50.1 which reads as follows:

Member States shall take all necessary measures to enable interested parties to prevent, on the terms set out in Articles 23 and 24 of the Agreement on Trade-related Aspects of Intellectual Property Rights, the use in the Community of a geographical indication attached to products referred to in Article 1 (2)(b) for products not originating in the place indicated by the geographical indication in question, even where the true origin of the goods is used in translation or accompanied by expressions such as 'kind', 'type', 'style', 'imitation' or the like.

The definition of geographical indications in the Wine Regulation is similar to that of TRIPs: 'indications which identify a product as originating in the territory of a third country which is a member of the World Trade Organisation or in a region or

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27 Vide the preamble of Council Regulation No. 1576/89.

28 This regulation is considered to fall outside the Agreement on the European Economic Area which is Norway's judicial link to the European Union. Thus the regulation does not apply to Norway.

29 Cf. article 1 of the Wine Regulation.

locality within that territory, in cases where a certain quality, reputation or other given characteristic of the product may be attributed essentially to that geographical place of origin’.

The protection is further specified in article 52 which provides: ‘If a Member State uses the name of a specified region to designate a quality wine...that name may not be used to designate products of the wine sector not produced in that region and/or products not designated by the name in accordance with the provisions of the relevant Community and national rules’. Article 52 does also grant some protection for traditional specific terms like ‘Claret’ and ‘Liebfrauenmilch’, see article 52.2. Lists of quality wines produced in specified regions are published by the Commission in the ‘C’ Series of the Official Journal of the European Communities according to article 54.5. Provisions on description, designation, presentation, and protection of sparkling wines, such as Champagne, are found in Annex VIII to the Regulation, whereas similar provisions for certain other wine products are given in Annex VII. Conflicts between wines bearing geographical indications and trademarks for wine products are regulated in Annex VII litra F (similar provisions regarding sparkling wines bearing geographical indications are found in Annex VIII litra H). The geographical indications will in most cases prevail in these conflicts. According to litra F No. 1. (a), brand names that supplements the description, presentation and advertising of the products referred to in the Wine Regulation, may not contain any words, parts of words, signs or illustrations which are likely to cause confusion or mislead the persons to whom they are addressed within the meaning of article 48. The prohibition of confusing brand names applies even if the brand name or a part of the brand name is liable to be confused by the relevant public with only a part of the description of a product referred to in Annex VII (litra F no. 1 (b)). Brand names identical to the description of any such products are prohibited regardless of the likelihood of confusion. Coexistence between brand names for wines and geographical indications of wine are only possible if the strict criteria in litra F no. 2 are fulfilled. The provision applies to so-called homonymous indications of wine:

..the holder of a well-known registered brand name for a wine or grape must which contains wording that is identical to the name of a specified region or the name of a geographical unit smaller than a specified region may, even if he is not entitled to use such a name pursuant to point 1, continue to use that brand name where it corresponds to the identity of its original holder or of the original provider of the name, provided that the brand name was registered at least 25 years before the official recognition of the geographical name in question by the producer Member State in accordance with the relevant Community provisions as regards quality wines psr and that the brand name has actually been used without interruption.

This provision is called the 'Lex Torres' and became a part of the former wine regulation to solve a conflict between the Spanish trademark *Torres* and a Portuguese wine region called *Torres Vedras*.<sup>30</sup>

The Wine Regulation applies to Norway due to its membership of the Agreement on the European Economic Area. Wine and grape must are refined agricultural products which are included in article 8.3a of the EEA Agreement. The Wine Regulation is implemented in Norway through the Norwegian wine and spirits regulation,<sup>31</sup> which is based on s2 of the Act on Quality Control of Agricultural Products etc.<sup>32</sup> The implementation is achieved by reference to the relevant EC Regulations.<sup>33</sup> However the EC Regulations are supplemented by some provisions regarding designations from EFTA states who are not members of the European Union (Norway, Iceland and Liechtenstein).

The protection under the Spirit Regulation is a list-based system with precise definitions of the criteria for registration. The extent of the protection is defined in article 8, in which the designations of the Spirit Regulation are protected against the use of correcting and delocalising additions. Consequently one may also assume that translated versions of the designations are prohibited if the product does not fulfil the criteria set down in the regulation.<sup>34</sup> The extensive protection in the Spirit Regulation reduces the danger of degeneration of the geographical indications listed in Annex II to a minimum. The approximately 200 designations on the list e.g. *Cognac* and *Cassis de Dijon*<sup>35</sup> enjoy a high level of protection within the entire EEA area. Geographical indications not listed in Annex II are protected against misleading use by article 5.2.

The Spirit Regulation does not include regulation of conflicts between geographical indications of spirits and trademarks. This is a matter of national trademark law in the member states. In the case of Norway, this issue is dealt with in the Trademarks Act, s14 third paragraph. This provision resolves the conflict between an existing geographical indication of wine or spirits and a trademark not yet registered. A trademark which consists of, or contains geographical indications with respect to, wine or spirits may not be registered for wine and spirits, unless the product has the geographical origin the indication

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30 *Knaak*, GRUR Int. 1995 p. 645.

31 Regulation of August 31st 1998 nr. 855.

32 Act of June 17th 1932 No. 6. Due to this regulation the Norwegian designation *Champagnebrus* (Champagne soda) used on a specific kind of soda pop, will probably be prohibited this year.

33 However the Norwegian Regulation is not updated after the new Wine Regulation entered into force in 1999.

34 *Reger* p. 141.

35 Annex II of the Spirit Regulation in the Official Journal of the European Communities L 160/4 of June 12th 1989.

indicates. The Spirit Regulation is implemented in Norwegian law in the same way as the Wine Regulation, through the Wine and Spirits Regulation.<sup>36</sup>

The Agricultural Regulation is the most interesting product-specific regulation. The scope of protection is broader than that of the Wine Regulation and the Spirit Regulation. Basically it comprises all agricultural products and foodstuff.<sup>37</sup> An important exception is made in article 1, as it shall not apply to wine products or to spirit drinks. The most valuable geographical indications are actually found in the categories of wine and spirits. The Agricultural Regulation does not apply to Norway, as it is not a part of the EEA Agreement.

Conceptually, the Agricultural Regulation is based on the system of formally defined and registered designations of origin. The Regulation establishes a registration process and a set of protection measures. Registration is the criterion for protection, which appears as an intellectual property right in line with patent and trademark rights.

Article 2 makes a distinction between two categories of geographical indications. The difference between these two categories is first and foremost related to different requirements as to the link between the quality of the product and its geographical origin. The two categories are designations of origin and geographical indications.

The opening is identical in both definitions, but the requirements of connection between the manufacturing process and origin of the product and its character are different. The definition of designations of origin is based on the definition of appellations of origin in the Lisbon Agreement. In order to be registered as a designation of origin, the entire production process must take place in the defined geographical area. The definition of geographical indications is more lenient, as it does not require that the entire production process has taken place in the specified geographical area. Preparation, processing and production are alternative conditions of fulfilling the criterion of geographical connection. It is difficult to comply with the strict requirements of designations of origin for processed or

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36 The provisions on geographical indications with respect to wine and spirits in the Marketing Control Act section 9 and the Trademarks Act section 14 third paragraph strengthen the protection under the Wine Regulation and the Spirit regulation in Norwegian law, but this is merely a lucky side-effect of the implementation of TRIPs. No one of the Regulations are mentioned in the preparatory works of the amendments to the Trademarks Act and the Marketing Control Act. Consequently these provisions can not be seen as implementations of EEA obligations.

37 The legal authority of the Spirit Regulation is article 43 of the EEC-Treaty (the present article 37), which concerns agriculture. It is argued, especially by *Beier/Knaak*, GRUR Int. 1993 p. 608 – 609, that this legal authority is not sufficient for foodstuff that is not agricultural products.

cultivated agricultural products. Thus, registration as geographical indication is the only possible solution for many of these products.<sup>38</sup>

Another noticeable difference is that the definition of designations of origin requires that the quality or characteristics of the product are 'essentially or exclusively due to a particular geographical environment with its inherent natural and human factors', whereas the definition of geographical indications requires that the products 'possesses a specific quality, reputation or other characteristics attributable to that geographical origin'. This is actually a major difference. The requirement for designations of origin, that the quality or characteristics of the product are due to the particular geographical environment, is an objectively provable requirement. In order to be registered as a geographical indication, it is sufficient that the product has a reputation attributable to its geographical origin. Reputation is not objectively provable in the same way as quality and other characteristics, because reputation is based on subjective conceptions among consumers. The concept of unfair competition is sneaking in through the back door of the Agricultural Regulation by adopting the focus on reputation in the definition of geographical indications. Thus the Agricultural Regulation becomes a hybrid of the two concepts of protection despite its roots in the system of formally defined and registered appellations of origin.<sup>39</sup>

The extent of the protection is laid down in article 13. First, the registered designations are protected against 'any direct or indirect commercial use of a name registered in respect of products not covered by the registration in so far as those products are comparable to the products registered under that name or insofar as using the name exploits the reputation of the product name' (article 13 No. 1 litra (a)).

The prohibition is directed towards the use of the designation in an unaltered form. But the protection is directed towards any direct or indirect commercial use. This includes use as trademark, in labelling and packaging, advertising and other information with commercial purposes. The first alternative in litra (a) of the regulation applies to products comparable to the product registered under the designation. We have similar provisions in trademark law regarding identical or similar goods. If the products are not comparable, the protection is dependant on the second alternative in litra (a). Usage that exploits the reputation of the product name will mainly be an issue for the more well-known geographical indications. It is first and foremost these designations that have a reputation suitable for commercial exploitation. The provision in the second alternative is similar to the *Kodak doctrine* in trademark law. Similarity between the products is not without relevance for the question of exploitation of reputation. The further you move away from the category of products the designation is registered for, the weaker the commercial potential for exploitation. For instance, *Parma* has a

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38 *Knaak*, IIC 2001 p. 378.

39 The reputation issue is thoroughly discussed by *Reger* on p. 149.



strong commercial potential for meat and *Roquefort* is highly valuable for dairy products, but the fame is not the same for car accessories or furniture.

Article 13 litra (b) grants protection against ‘any misuse, imitation or evocation, even if the true origin of the product is indicated or if the product is translated or accompanied by an expression such as “style”, “type”, “method”, “as produced in”, “imitation” or similar’. By misuse in this context means the use of an almost identical designation. Imitation does also comprise designations that are likely to confuse, whereas evocation also comprise a use that leads your thoughts to the direction of the original designation and indicates a connection. The concept of ‘evocation’ is discussed in the ‘Gorgonzola/Cambozola-Judgment’.<sup>40</sup>

Like the Lisbon Agreement, the Agricultural Regulation has a provision that excludes legal degeneration. Registered designations cannot be regarded as generic terms. A legal provision with such content seems somewhat strange from a Norwegian perspective, since we see the issue of degeneration as a question of facts and not a question of law.<sup>41</sup> Due to the strict regulation of use of registered designations, actual degeneration will also be very unlikely within the European Economic Area. However, generic names may not be registered according to article 3 and article 17 No. 2.<sup>42</sup>

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40 Decision by the ECJ of March 4th 1999 in case C-87/97. It is said in paragraph 25 of the Judgment that: ‘Evocation’, as referred to in Article 13(1) (b) of Regulation No 2081/92, covers a situation where the term used to designate a product incorporates part of a protected designation, so that when the consumer is confronted with the name of the product, the image triggered in his mind is that of the product whose designation is protected.’ In paragraph 27, subsumed under the facts of the case, the Court declares that: ‘Since the product at issue is a soft blue cheese which is not dissimilar in appearance to ‘Gorgonzola’, it would seem reasonable to conclude that a protected name is indeed evoked where the term used to designate that product ends in the same two syllables and contains the same number of syllables, with the result that the phonetic and visual similarity between the two terms is obvious.’

41 *Holmqvist*, Degeneration of Trade Marks especially p. 299, 343 and 351.

42 The issue of generic terms is discussed thoroughly in the Feta-judgment of March 16th 1999 (the united cases C-289/96, C-293/96 and C-299/96). The Feta-case was quite complex, because *Feta* is an indirect indication of source. The court had to take a stand on whether or not *Feta* really was or had been a geographical indication before it could take a stand on the question of the registration as a geographical indication was valid. The European Court of Justice set aside the registration decision made by the Commission. Among other things it mentioned that there was not taken due considerations to the fact that *Feta* made outside Greece was legally sold and marketed in several member states, cf. article 7.4 of the Regulation. The Commission followed up the Judgment by deleting *Feta* from the register. At the same time it was given permission to maintain national protection until a final decision was taken. By EC Regulation No. 1829/2002 of October 14th 2002, *Feta* was registered as a designation of origin. Denmark has filed a complaint to the ECJ.

The relationship to trademark rights is regulated in article 14. The provisions are neither solely based on a strict first priority principle nor on a principle of coexistence, but on a compromise between values worthy of protection. A registered geographical indication has priority over a later trademark likely to infringe the rights set down in article 13, cf. article 14 No. 1. An older registered geographical indication (or designation of origin) implies both an obstacle towards registration and a reason for invalidation if the trademark is registered. Article 14 No. 2 regulates conflicts between a registered geographical indication or designation of origin and an older trademark. In these cases coexistence is the main rule.

## Protection in Norway

### *The Traditional Protection in Norway*

The protection in Norway has traditionally been based on the concept of unfair competition, with a prohibition against misleading designations of origin and general clauses on unfair competition.

There was a provision in s25 of the former *Trademarks Act* 1910 that expressly prohibited use of false indications of source of goods. Indications that were liable to create confusion regarding geographical origin were also forbidden. The *Trademarks Act* of 1910 was originally an act for both trademark law and competition law, cf. its name: 'Act on Trademarks and Unfair Designations of Goods and Business Names'. A new Act on Unfair Competition was passed in 1922, but the provision in s25 of the *Trademarks Act* of 1910 survived, and was adopted in the new *Trademarks Act* of 1961, which is still in force.<sup>43</sup> S25 of the *Trademarks Act* of 1910 was finally repealed in 1972 when a new *Marketing Control Act*, which deals with unfair competition, was passed.<sup>44</sup> The general provision on misleading business methods in s2 of the *Marketing Control Act* rendered a special provision on misleading geographical indications superfluous.<sup>45</sup>

S2 of the *Marketing Control Act* comprises the use in business of an 'incorrect or otherwise misleading representation which is likely to influence the demand for or supply of goods services or other performances'. The term 'representation' covers most business conduct imaginable, including use as a trademark. All the same, there is a special provision that prohibits using misleading trademarks in s36 of the *Trademarks Act*. S14 first paragraph No. 2 states that a trademark that is

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43 A translated version of the Trademarks Act of 1961 can be found at: [www.patentstyret.no](http://www.patentstyret.no) (The Norwegian Patent Office).

44 A translated version of the Marketing Control Act of 1972 can be found at: [www.forbrukerombudet.no](http://www.forbrukerombudet.no) (The Norwegian Consumer Ombudsman and the Market Council).

45 Report from the Competition Act Committee 1966 p. 12 and p. 44.

‘liable to deceive’ constitutes an obstacle to registration. These two provisions together cover all kinds of misleading business methods.

The terms ‘misleading’ and ‘deception’ are probably the same in substance in both the Trademarks Act and the Marketing Control Act, and three criteria have to be fulfilled in order to conclude that the public has been misled with regard to geographical origin. First, the relevant public must perceive the designation as a geographical indication. Since visual representations are included in s2 of the *Marketing Control Act* and figures, pictures and the shape of goods may be registered as trademarks according to the *Trademarks Act*, it is clear that indirect indications of source also may be misleading according to Norwegian law, provided that they are recognisable to the relevant public as geographical. Secondly, the relevant public must be given the impression that the goods or service emanate from that area. This excludes designations that are recognised as fantasy words and not as indications of origin because unknown to the relevant public, or because a place unsuitable for production of the given product or service. Thirdly, the connection between the product and the geographical place must be relevant for consumers, in their decisions and actions as consumers.<sup>46</sup> The prohibition against misleading business methods in s2 of the *Marketing Control Act* is general, and it applies to both indications that are liable to mislead the public as to quality and as to the geographical origin of goods or services. Geographical indications of quality used on a product from the correct area but with a lower quality falls within the scope of s2.

Besides the danger of misleading the public, a designation may be prohibited because it is free-riding on the reputation of a well-known geographical indication or diluting its goodwill, cf. the general clause in s1 of the *Marketing Control Act* and protection against copying in s8a. There is not a condition that the public is supposed to be deceived or misled in these provisions. When it comes to use of corrective or delocalising additions, I think the best approach in Norway would be to use the prohibition against copying in s8a, perhaps supplemented with the general clause in s1, rather than stretching the terms deception and misleading use as is done in German law. The protection against copying covers unfair exploitation of the efforts or results of another person. Thus it protects investments, both capital and intellectual. The protection of investment in s1 and s8a of the *Marketing Control Act* is not dependant on consumer perception in the same way as the protection against misleading indications of origin. The infringement issue can be assessed according to more objective economic criteria.

The danger of monopolising geographical indications as trademarks is counteracted in Norway through the obstacle to registration in the *Trademarks Act* s13 second sentence, which says: ‘The trademark may not exclusively, or with no more than minor alterations or additions, indicate the kind, quality, quantity,

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46 *Koktvedgaard, Lærebog i konkurrenceret* p. 243.

use, price or geographical origin of the goods or the date of their production'. The primary function of this provision is to safeguard the distinctive function of the trademark, but indirectly it contributes to the protection of geographical indications. This provision has traditionally been applied restrictively in Norway. This is based on what we may call 'the necessity rule', i.e. the principle that designations which must be kept available for free use by the general public or by the trade and therefore cannot function as trademarks are excluded by law from representing a trademark right and title.<sup>47</sup> In the Erfurt-decision by the Board of Appeals of the Norwegian Patent Office, it is said that 'as any tradesman has to be entitled to use the name of the place where his products are manufactured or another place to which his products have a natural connection'.<sup>48</sup> Based on new case law from the European Court of Justice,<sup>49</sup> the Board of Appeal changed its policy in the Erfurt-decision. If the geographical name is not connected to the type of goods in question and there is no reasonable possibility that such goods will be imported from that area in the future, the geographical name may be registered as a trademark.

We do not have any case law in Norway on degeneration of geographical indications. The destiny of the designation *Cognac* in Norway may however be an interesting example of something that is possibly both degeneration and regeneration. In the 3<sup>rd</sup> proposal for an Act on Trademarks and Unfair Designations on Goods and Businesses with Annexes from 1904, "cognak" is mentioned as an example of a generic term that cannot be protected as a trademark. In 1971 *Holmqvist* said: 'The word *konjak* is without doubt generic in Swedish *speech*. It denotes any beverage which is even remotely similar in taste and appearance to cognac (at times disgustingly remote). As a denomination of origin it is spelt *cognac* but this would hardly be noticeable in speech.'<sup>50</sup> Both quoted expressions are based on the assumption that *Cognac* had degenerated in Norway and in Sweden. After 1904 there has been a development that may have regenerated *Cognac* as a geographical indication. First, Norway had a state-owned wine and spirits monopoly since 1922 as the only legal producer and distributor of spirits. Moreover the state-owned wine and spirits monopoly – Vinmonopolet – has, besides its political agenda, the role of exercising quality control over its selection of products. For that reason it has not been possible to buy spirits designated as *Cognac* that do not originate from *Cognac* in Norway through legal sources. Secondly, the products offered for sale with a distinction between *Cognac* and other spirits based on grapes, to some extent influenced the perception of the designation among consumers in general. If the changes in the public perception of *Cognac* are so prominent that they fulfil the strict criteria laid down in case law

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47 *Holmqvist*, Degeneration of Trade Marks p. 15-16.

48 Decision by the Board of Appeals of the Patent Office of May 8th 2000. Printed in NIR 2001 s. 279.

49 The Windsurfer Chiemsee-cases, Judgments by the European Court of Justice of May 4th 1999 (united cases C-108/97 and C-109/97).

50 *Holmqvist*, Degeneration of Trade Marks p. 230. Original italics.

for regeneration, is uncertain. With the EEA Agreement Norway got the Spirits Regulation of the European Community into the bargain. Norway is obliged to secure protection of the designation *Cognac* according to the Spirits Regulation.<sup>51</sup> If the designation at the date of accession to the EEA Agreement was considered a generic term, it would all the same be protected as a geographical indication today, regardless of possible regeneration.

### ***The Mozell Judgment***<sup>52</sup>

The leading case in Norwegian case law about geographical indications is the Mozell decision by the Norwegian Supreme Court. The Mozell judgment deals with questions related to both trademark law and unfair competition. The core of the case was registration and use of the trademark MOZELL on a sparkling soft drink with apple and grape flavour. The label of the bottles was decorated with an illustration of a landscape that could evoke a German river landscape with vineyards and an onion dome. The illustration was not registered.

Producers of wine from the German Mosel Valley sued the Norwegian brewery, Ringnes, and claimed that the registration of MOZELL should be invalidated, and that the use of both the trademark and the illustration should cease. The legal bases of these claims were s13 and s14, first paragraphs, of the *Trademarks Act* for the invalidation of the trademark, and s36 of the *Trademarks Act* and the s2 *Marketing Control Act* (on misleading business methods) and the general clause on unfair competition for the prohibition against use of the illustration.

The Supreme Court discussed the registration issue before it considered a prohibition on the use of the word or the illustration. Regarding the registration issue, the court found that the validity ‘depends on a judgment of the registered word MOZELL itself. The use of the illustration on the labels is, in principle without interest in assessing the validity of the registered trademark’. Even if the terms ‘mislead’ and ‘deceive’ are the same in substance in the *Trademarks Act* as in the *Marketing Control Act*, we can see that the object of the assessment may be different. The evaluation may be different depending on whether we evaluate the trademark in isolation or if we evaluate the marketed product.

When it came to the question of whether or not a trademark was liable to deceive, the Supreme Court found, on page 1916, that such liability would arise only if a ‘significant part of the relevant consumers are being misled’. The concrete discussion of deceptive trademarks is found on p.1916-1917:

In my opinion it is hard to imagine that the trademark – used on non-alcoholic drinks in class 32 – would have the ability to create false

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51 Annex II to the Spirits Regulation, printed in Journal of the European Communities L 160/4 of June 12th 1989.

52 Rt. 1995 p. 1908.

impressions about a connection to Mosel as a geographical name or an appellation of origin. The word is clearly distinctive from Mosel both in writing and orally. It can not be of substantial weight that it is closer to the French and English designation Moselle, as this designation is not in use in Norway. In my opinion the relevant public must conceive the designation as a fantasy word, though – as I have already mentioned – may create certain associations in direction of Mosel and Mosel wine. I can hardly see which false impressions the word may cause. False impressions about the product being Mosel wine can be excluded. The impressions would in that case be – as the district court has found – that the drink contains grape juice from the Mosel district, that it is based on a recipe from the district or that there is another connection between the product and the Mosel district. But I cannot see it otherwise than the risk of the trademark of creating such impressions is quite remote.

I find the Supreme Court's discussion about which impressions the trademark could create a bit unsubtle. I agree that the impression that MOZELL actually is *Mosel* wine can be excluded. Both the price and the shops where you can buy it exclude such an impression. On the other hand I cannot see that the risk of the trademark creating impressions of a connection to the *Mosel* district is remote. There is actually a common impression that MOZELL actually has some connection to the *Mosel valley*. The knowledge among the public about the spelling of foreign geographical names is not good, and many consumers pronounce the trademark stressing the first syllable. It is possible that the Supreme Court has imputed to the public a greater capacity to distinguish trademarks than it actually has.

The submission that the trademark was to be denied registration due to lack of distinctiveness according to s13 of the *Trademarks Act* was quickly rejected by the Supreme Court. The trademark was not perceived as a geographical name and a registration of MOZELL did not prevent the use of *Mosel* or *Moselle* in the marketing of product originating from the *Mosel valley*.

Considering a prohibition against use of the trademark, the Supreme Court discussed s36 of the *Trademarks Act* and s2 of the *Marketing Control Act*. The starting point is a joint evaluation of the trademark and the illustration. The Supreme Court assessed the danger of confusion after a modification of the illustration, so it looked more like a Norwegian landscape. The result was that the use was not judged as misleading.

The last question, whether or not the use of the trademark and illustration was in conflict with good business practice among businesspersons, was considered the most difficult question. This legal claim was in my opinion, the strongest claim, and it strikes me that it was not an issue before the district court and the Court of Appeals. In relation to s1 of the *Marketing Control Act*, the Supreme Court stated:

It must be considered proved that Ringnes – or more correctly Nora – considered a large number of names on the new product, that at the time was meant to be a product made of apples, and that these considerations included the names Mosse and Appell. If the final choice of MOZELL arose by a combination of the two, or in other ways, is impossible to prove. Under all circumstances the similarities between the geographical name and the appellation of origin are so eye-catching that it could hardly have been unattended. Neither could the fact that the landscape on the illustration on the labels, with an unmistakable look of a wine district, and that the label had a greater resemblance with a wine label than with most labels on mineral waters, have avoided attention. There are reasons to believe that this might have been a point in the marketing of MOZELL as mineral water of specific quality, suitable of being served as a non-alcoholic alternative. I cannot see it otherwise than that the combination of the trademark and the illustration to some extent entailed exploitation of associations to the products of other business persons. As I see it, this may raise some problems in connection to section 1 of the Marketing Control Act.

I take these paragraphs of the Judgment as evidence that the Supreme Court as a starting point found that the use of the trademark in combination with the illustration constitute an act of unfair competition. However, the Supreme Court found that a prohibition in the present situation would be a disproportionate encroachment on Ringnes, based on the marginal damage to the wine producers. I quote from the judgment on p. 1918:

As I see it, there are sides of the marketing of the product as I have mentioned that cannot be free from criticism. But such criticism does not unconditionally imply that the use of the trademark and the illustration is in conflict with good business practice among businesspersons and be prohibited in accordance to the Marketing Control Act section 1. There has to be a threshold, which may vary with the concrete circumstances. In our case, I will point at the provision in section 9 of the Marketing Control Act [the present section 8a], on e.g. copying the trademarks of another person, which cannot apply to this case. It can hardly be seen as an actual copying, and at least in my opinion – as I have previously argued – there is no risk of confusion. Even if the “general clause” in section 1 of the Marketing Control Act is a supplement to the other provisions of the Act, one must in my opinion be careful with using it on situations similar to those regulated in the special provisions when the criteria in these provisions are not fulfilled. In addition I find a prohibition disproportionate. It is hard to see that use of the trademark MOZELL and the illustration in its present form – used on mineral waters – are liable to damage the wine producers in the Mosel district, even in shape of dilution of Mosel as an appellation of origin.

I cannot agree with the Supreme Court that the trademark and the illustration in its present form are not liable to damage the wine producers in the *Mosel* district.

First, I do not think that it can be excluded that the trademark in combination with the illustration is liable to create confusion. Secondly, the kind of associations that the trademark and the illustration are liable to create may dilute the goodwill of the geographical indication, and in the uttermost, degeneration. I think the Supreme Court should have discussed the protection of investments in the general clause more thoroughly. A total dismissal of s9 [the present s8a] of the *Marketing Control Act* supplemented with the general clause, does also seem a bit hasty. I am not convinced that cost-benefit considerations are the best approach to the question of infringement of intellectual property rights. The choice of trademarks and marketing strategy are based on deliberate priorities. By focusing on associations to other businesses or the products of other businesses, the company takes a calculated risk of violating the *Trademarks Act* and/or the *Marketing Control Act*. If in such a situation the line is crossed and a violation of legal provisions is found, I cannot see good reasons for sympathy from the Court.

### ***The Implementation of International Obligations***

There have not been any major changes in Norwegian law as a result of our international obligations. The Norwegian accession to the EEA Agreement did not lead to amendments to either the *Trademarks Act* or the *Marketing Control Act* as a result of the new obligations related to geographical indications. The Wine Regulation and the Spirits Regulation were implemented in Norwegian law through the Norwegian Wine and Spirits Regulation.<sup>53</sup> TRIPs led to a general revision of our legislation in order to ensure that our present provisions gave sufficient protection. It was not necessary to pass any amendments in order to implement article 22. This provision was implemented by finding legal harmony between Norwegian law and article 22 of TRIPs.<sup>54</sup> Two amendments to our legislation were however necessary, a new s9 in the *Marketing Control Act* and a new third paragraph in the *Trademarks Act* s14. Both amendments were necessary in order to implement the strong protection of geographical indications for wines and spirits in TRIPs article 23. The Norwegian implementation of article 23.1 is found in s9 of the *Marketing Control Act*, which reads as follows:

It is prohibited in the conduct of business to make use of geographical descriptions for wines or spirits which do not originate from the geographical location designated by the descriptions. This shall apply even when the actual origin is also stated or when the geographical

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53 FOR 1998-08-31 855 LD. Regulation on wine, drinks with high alcohol strength and aromatised drinks etc. of August 31st 1998, with legal authority in the Act of June 17th 1932 No. 6.

54I In the official proposal to the Norwegian parliament (St.prp. nr. 65 1993-94) on p. 169 it is stated that: 'The general protection of *geographical indications* that the member states are obliged to impose according to article 22, is probably already Norwegian law, cf. especially the Marketing Control Act sections 1 and 2 and the Trademarks Act section 14 first paragraph No. 2.'



description has been translated or followed by an expression such as  
'kind', 'type', 'imitation' or similar.<sup>55</sup>

The implementation differs from article 23.2 on two points, both implying a more extensive protection than is required by TRIPs. First, the Norwegian provision implies that even geographical indications of wines and spirits from countries that are not members of TRIPs may be protected against exploitation in Norway. This approach was adopted on account of legal practicality, and was not considered a problem by the legislature.<sup>56</sup> Second, the Norwegian provision – at least by its wording – protects against use of geographical indications for spirits on wines and use of geographical indications for wines on spirits. This diverges from TRIPs, where geographical indications for wines are solely protected against use on wines, and geographical indications for spirits are solely protected against use on spirits. This divergence is not commented on in the preparatory works.

The provision in the Trademarks Act s14 third paragraph, which seeks to hinder geographical indications for wines and spirits from being registered as trademarks for wines and spirits, was necessary to implement TRIPs article 23.2.<sup>57</sup> The implementation provision in s14 of the *Trademarks Act*, like s9 of the *Marketing Control Act*, differs from article 23.2 on two points. The provision reads as follows:

Trademarks which consist of or contain geographical indications with  
respect to wine or spirits, may not be registered for wine and spirits,  
unless the product has the geographical origin the indication indicates.

Except for s14 third paragraph of the *Trademarks Act*, there are no specific provisions about geographical indications being used as an obstacle to registration or as a means against already registered trademarks. The general provisions like s14 first paragraph No. 2 of the *Trademarks Act* on deceptive trademarks or the provisions against monopolising generic terms and free terms in s13 may be used. Authorisation for a prohibition against *use* of such trademarks must be found in

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55 The additions 'kind', 'type' and 'imitation' are expressly mentioned in the provision. In my opinion this indicates that the protection of geographical indications of wines and spirits is stronger in Norway according to the wording of section 9 than the case-law from the European Court of Justice relating to trademarks. In the Hölterhoff-judgment, case C-2/00, the European Court of Justice found that it did not infringe the exclusive right of the holder of a trademark, where a third party, in the course of commercial negotiations, reveals the origin of goods which he has produced himself and uses the sign in question solely to denote the particular characteristics of the goods he is offering for sale so that there can be no question of the trade mark used being perceived as a sign indicative of the undertaking of origin'.

56 Ot.prp. nr. 73 (1995-96) p. 5.

57 In St.prp. nr. 65 (1993-94) p. 169 it is stated that: 'The specific protection of geographical indications for wines and spirits in article 23 requires amendments to our legislation.'

s1 and s2 of the *Marketing Control Act* or s36 second paragraph of the *Trademarks Act*.

TRIPs has led to increased protection of geographical indications for wines and spirits in Norway. The prohibition against correcting additions is probably stricter than the prohibition against misleading designations and the general clause of s1 of the *Marketing Control Act*. At least we have a more reliable legal basis. When it comes to other geographical indications merely protected by article 22, I am more uncertain whether the protection has improved or not. Formally we have the same protection as we did before TRIPs. The protection of geographical indications for wines and spirits laid down in the Norwegian *Trademarks Act* and *Marketing Control Act* may nevertheless have a spill over effect on other geographical indications. The fact that geographical indications for wines and spirits are explicitly mentioned in our legislation may lead to an increased focus on geographical indications in general. The new provisions may have a self intensifying effect and bring the Norwegian protection forwards – even exceeding our obligations according to TRIPs. It is not at all unlikely that the law is moving in the direction of considering correcting additions as misleading or in conflict with good business practice also when it comes to ordinary geographical indications. The interests of legal unity and harmonization within the EEA area is also an argument in favour of taking into consideration decisions from the European Court of Justice on the Agricultural Regulation in decisions based on the Norwegian *Trademarks Act* and *Marketing Control Act*. Even if we have no obligations under international law to follow the Agricultural Regulation, case law on this regulation may be a guideline on balanced protection of geographical indications in Norway.

### ***The Protection Regulation***

The Regulation on Protection of Designations of Origin, Geographical Indications and Certificates of Specific Character for Agricultural Products entered into force on 7 July 2002. The regulation introduces the trademark concept for protection of geographical indications in Norway. The designations can be protected if they are registered in an official register after a formal procedure of approval. The Protection Regulation is based on the Agricultural Regulation.<sup>58</sup> As the name of the regulation indicates, it also protects agricultural products of specific character. It is agricultural products of specific character and traditional foodstuff that in order to be protected either must be produced using traditional raw materials or be characterized by a traditional composition or a mode of production and/or processing reflecting a traditional type of production and/or processing.<sup>59</sup> There is a specific regulation for these products within the European Union, Council

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58 The regulation is not an implementation for the EEA Agreement, but Norwegian provisions of similar content are necessary if Norwegian products are supposed to be protected within the European Union, see the Agricultural Regulation article 12.

59 Section 11 of the regulation.

Regulation No. 2082/ 92 of 14 July 1992 on certificates of specific character for agricultural products and foodstuffs.

The scope of the Protection Regulation is indicated in s2. The regulation applies to foodstuffs ‘made of wild crops, livestock or crop production together with fish and fish products’. The definition does not include wild game, a category that would otherwise be suitable for protection in Norway.<sup>60</sup> Another explicit limitation in the regulation is that it does not apply to drinks with high alcohol content, aromatised drinks and drinking water. Wines and spirits are already protected due to our obligations under the EEA Agreement and TRIPs. Natural mineral waters are partly protected through a regulation on exploitation and marketing of natural mineral waters and spring water (the Mineral Water Regulation).<sup>61</sup>

The Protection Regulation makes a distinction between two categories of geographical indications, designations of origin and geographical indications, just like the European Agricultural Regulation. Like in the Agricultural Regulation, the criteria for protection as a designation of origin are stricter than the criteria for recognition as a geographical indication. First, there is a distinction in that for designations of origin it is a requirement that the specific quality, reputation or other characteristics are *essentially* or *exclusively due to* a particular geographical environment with its inherent natural and human factors, whereas for geographical indications it is sufficient that these characteristics are *attributable* to that geographical origin. For geographical indications it is probably sufficient that there is a causal connection between the characteristics of the product and its origin. Second, there is a requirement for designations of origin that the production, processing and preparation must have taken place in the specific geographical area, whereas the requirement for geographical indications is that it is either produced, processed or prepared in the location.

In contrast to the Agricultural Regulation, not only geographical indications but also designations of origin may be protected if there is a connection between the *reputation* and the place of origin. This difference may imply a more subjective assessment of the criteria for protection than we see under the Agricultural Regulation, and it may lead to more designations being registered as designations of origin according to the Norwegian regulation, than is the case under the European regulation.

The extent of protection is set out in s10. The first paragraph of s10 is almost identical to article 13 No. 1 of the Agricultural Regulation, and my discussion of that provision above in 3.2 covers s10 of the Protection Regulation, though *litra a*,

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60 E.g. reindeer from the *Hardanger plateau*. Originally fish and fish products were not included, but the regulation was amended on October 24th 2003. Fish is Norway’s second largest export article after oil and gas.

61 Regulation No. 1316 of October 4th 2004 on exploitation and marketing of natural mineral waters and spring water.

b, c, and d in the Agricultural Regulation correspond to respectively No. 1., 2., 3. and 4 in the Protection Regulation.<sup>62</sup> Like in the Agricultural Regulation there is no protection against the legal consequences of degeneration. It is clearly stated in s10 second paragraph that protected designations cannot become generic terms. Designations that already are generic may, however, not be registered.<sup>63</sup>

There are quite detailed provisions on the conflicts between protected designations and trademarks. A registered geographical indication or designation of origin constitutes an obstacle to registration for a younger trademark if the trademark is liable to be confused with the protected designation.<sup>64</sup> The evaluation whether the trademark is liable to cause confusion must be based on general principles of trademark law including similarity of the trademark and the designation and similarity as to the goods. Priority depends on whether the application for registration as a designation of origin or geographical indication is received by the registration authorities before the application for registration as a trademark was filed.

When it comes to older trademarks, the Protection Regulation is based on the principle of coexistence. However, in some cases the older trademark is protected against registration of younger designations of origin or geographical indications. It is stated in s19 that there is an obstacle to registration if on the basis of the reputation, goodwill and permanence of a trademark or a collective mark, the registered designation of origin or geographical indication would be liable to create confusion about the true origin of the products. First and foremost this provision is in the interest of established trademarks with a strong reputation and goodwill. The provision aims at protection against dilution and free-riding on well-known trademarks.

Second paragraph does not have any requirements regarding reputation or establishment, but there are four cumulative criteria that have to be fulfilled if the older trademark is to be an obstacle to registration. The trademark must be identical or similar to the designation of origin or geographical indication, it must apply to identical or similar goods and must be registered or filed for registration before the application for registration as a designation of origin or geographical indication was received by the authorities. A last criterion is that the trademark or collective mark might mislead the consumers about the true origin of the product. This is probably a question if the protected designation may cause doubts as to whether the product originates from the holder of the trademark or from the geographical district. The provision corresponds to article 14 No. 3 of the Agricultural Regulation.

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62 A noteworthy distinction may be that the protection in the Agricultural Regulation is against commercial use, whereas the Protection Regulation doesn't have any such limitations in its wording.

63 Section 8 of the regulation.

64 Section 18 of the regulation.

The Protection Regulation is an important contribution to protection of geographical indications in Norway. Today there are only two registered designations, one designation of origin and one geographical indication. *Ringerikserter* (peas from Ringerike) is registered as a designation of origin and *Økologisk Tjukkmelk fra Røros* (Ecological Clotted Milk from Røros) is registered as a geographical indication. In addition there are several registrations pending.<sup>65</sup> However, the regulation creates some legal and practical problems.

The first and most eye-catching problem is that the category of products is too narrow to deal with the interests of Norwegian producers. Our most valuable export articles and most exotic niche products when it comes to foodstuffs are fish, wild game and spring water. Even if the regulation finally applies to fish and fish products, wild game and spring water are still left out. This is a natural consequence of the regulation being based on the Agricultural Regulation. Products that fall outside the scope of the Protection Regulation must rely on the traditional protection in the *Trademarks Act* and *Marketing Control Act* read in the light of TRIPs.

Another kind of problem lies in the relationship to the *Trademarks Act*. This may lead to conflicts regarding both the criteria for registration and the extent of protection. In addition, the new *Trademarks Act* that will permit registration of geographical indications will raise a question whether geographical indications shall be registered as a collective mark, registered geographical indications or perhaps both.

Several of the legal questions related to the protection regulation might be solved through studies of case law from the European Court of Justice on the agricultural regulation – the European model for the Norwegian regulation. Even though the protection regulation is not an implementation of the agricultural regulation, I think case law and legal theory on the agricultural regulation will be an important factor in interpreting and applying the protection regulation. There are ten years of case law from the European Union on the understanding and application of the Agricultural Regulation, and legal scholars especially in Germany have paid much attention to the regulation.

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65 E.g. Hardanger apples, Hardanger plums and West coast wild sheep.

### Literature List with Abbreviations

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