

4-1-2012

Chief Judge Rader's Material Contribution to Geographic Indicator Analysis

Signe H. Naeve

Follow this and additional works at: <https://digitalcommons.law.uw.edu/wjlta>



Part of the [Intellectual Property Law Commons](#)

Recommended Citation

Signe H. Naeve, *Chief Judge Rader's Material Contribution to Geographic Indicator Analysis*, 7 WASH. J. L. TECH. & ARTS 467 (2012).

Available at: <https://digitalcommons.law.uw.edu/wjlta/vol7/iss4/10>

This Article is brought to you for free and open access by the Law Reviews and Journals at UW Law Digital Commons. It has been accepted for inclusion in Washington Journal of Law, Technology & Arts by an authorized editor of UW Law Digital Commons. For more information, please contact lawref@uw.edu.

CHIEF JUDGE RADER'S MATERIAL CONTRIBUTION
TO GEOGRAPHIC INDICATOR ANALYSIS

Signe H. Naeve^{*}
© Signe H. Naeve

Cite as: 7 Wash. J.L. Tech. & Arts 467 (2012)
<http://digital.law.washington.edu/dspace-law/handle/1773.1/1131>

ABSTRACT

Geographic indicators—trademarks that use a place name to indicate goods or services—are now theoretically easier to register, even if the good or service does not actually come from that place. This shift is a result of three cases, two authored by Chief Judge Randall R. Rader of the Federal Circuit Court of Appeals (California Innovations and Les Halles), and one where he served on the panel (Spirits International). These cases made it more difficult for a trademark examiner to reject an application for a primarily geographically deceptively misdescriptive mark by adding a materiality requirement. However, raising the bar was not the intent of the North America Free Trade Agreement (NAFTA) amendments, the subject of interpretation in the case trio. This Article tracks the significant change in the analysis of geographic indicators, ultimately arguing that the Federal Circuit should take guidance from its earlier opinions, In re Wada and Save Venice, and be willing to infer materiality when a location is known for a particular good or service.

^{*} Signe H. Naeve is the Associate Director of the Law, Technology & Arts Group at the University of Washington School of Law. She would like to thank her husband Adam and son Alexander for their support while writing this article. She would also like to thank Chief Judge Rader for suggesting analysis of these cases.

TABLE OF CONTENTS

Introduction	468
I. Misdescriptive Geographic Indicators, No Materiality Required	469
A. Geographic Indicators Pre-NAFTA	470
B. Geographic Indicators Post-NAFTA	477
II. <i>California Innovations</i> and <i>Les Halles</i> Add a Materiality Requirement.....	481
A. <i>California Innovations</i>	481
B. <i>Les Halles</i>	483
III. <i>Spirits International</i> Raises the Materiality Requirement to “Substantial Number of Relevant Class”	484
IV. The Intent of NAFTA Amendments Was Not to Raise the Bar for Registration	486
A. NAFTA Amendments Separated Primarily Geographically Deceptively Misdescriptive Marks from Primarily Geographically Descriptive Marks	488
B. NAFTA and TRIPs Mandate that Geographic Indicators Should Not Be Misleading	491
V. The Federal Circuit Should Infer Materiality if a Place Is “Known For” a Good or Service.....	493
A. <i>In re Wada</i>	494
B. <i>In re Save Venice</i>	495
C. Examination Practicalities and Burden of Proof.....	497
Conclusion.....	498

INTRODUCTION

Chief Judge Randall R. Rader and the Federal Circuit significantly altered the analysis for one class of geographic indicators—trademarks that use a place name to indicate goods or services—when it decided a trio of trademark cases: *California Innovations*,¹ *Les Halles*,² and *Spirits International*.³ Judge Rader

¹ *In re Cal. Innovations, Inc.*, 329 F.3d 1334 (Fed. Cir. 2003), *reh’g* and *reh’g en banc denied* Aug. 20, 2003.

² *In re Les Halles de Paris J.V.*, 334 F.3d 1371 (Fed. Cir. 2003).

³ *In re Spirits Int’l, N.V.*, 563 F.3d 1347 (Fed. Cir. 2009).

authored the first two opinions and served on the panel that decided the third. All three cases involved challenges to proposed marks that the trademark office had rejected as primarily geographically deceptively misdescriptive. Such marks include the name of a geographic location where there is an arguably strong goods/place association, but the marks are used in connection with goods or services that do not actually come from that place. The three cases interpreted amendments to the Lanham Act as required by the North American Free Trade Agreement (NAFTA)⁴ and reasoned that the amendments mandated the addition of a materiality requirement. This Article explains the addition of this requirement and argues that the court misinterpreted the NAFTA amendments and unnecessarily raised the standard for rejecting a primarily geographically deceptively misdescriptive mark.

I. MISDESCRIPTIVE GEOGRAPHIC INDICATORS, NO MATERIALITY REQUIRED

Prior to the NAFTA amendments, there were at least five categories of geographic indicators.⁵ The categories are confusing because “descriptive” and “deceptive” are used in multiple sections of the statute. To help put these categories in context and to start to explain some of the confusingly similar terminology, this section will describe geographic indicators from the most innocuous and easiest to register to the most deceptive and difficult to register under the following basic progression: arbitrary geographically descriptive marks > merely descriptive marks > primarily geographically descriptive marks > deceptively misdescriptive marks > primarily geographically deceptively misdescriptive marks > deceptive marks. Logically this progression makes some sense, although the statute does not follow this order.

⁴ North American Free Trade Agreement, Dec. 8, 1993, 32 I.L.M. 605; North American Free Trade Agreement Implementation Act, Pub. L. No. 103-182, 107 Stat. 2057 (1993) [hereinafter NAFTA].

⁵ For a more comprehensive summary of protection for geographic indicators prior to the NAFTA amendments, see Robert Brauneis & Roger E. Schechter, *Geographic Trademarks and the Protection of Competitor Communication*, 96 TRADEMARK REP. 782 (2006).

A. Geographic Indicators Pre-NAFTA

1. (Arbitrary) Geographically Descriptive Marks

As a general matter, geographically descriptive marks are marks that incorporate a term that indicates any geographic location.⁶ These marks are registerable without any showing of secondary meaning if they are arbitrary in the sense that no consumer would believe that the goods actually came from that place.⁷ Typical examples are “Alaska” on bananas,⁸ “Eskimo Pies” for ice cream bars⁹ or “Amazon.com” for online retail services.¹⁰ No one would actually believe that the bananas come from Alaska, that Eskimos were making ice cream bars, or that the online e-commerce giant’s services emanated from a river in South America.¹¹ The risk of consumer confusion is extremely low in these situations and thus registration is justifiable, even without a showing of secondary meaning.¹²

2. Merely Descriptive (Section 2(e)(1)) and Primarily Geographically Descriptive Marks (Section 2(e)(2))

In contrast to arbitrary geographic indicators, the next

⁶ See 2 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 14:2 (4th ed. 2012).

⁷ See John R. Renaud, *Can’t Get There From Here: How NAFTA and GATT Have Reduced Protection for Geographical Trademarks*, 26 BROOK. J. INT’L L. 1097, 1099 (citing *In re Brauerei Aying Franz Inselkammer KG*, 217 U.S.P.Q. (BNA) 73, 75 (1983)).

⁸ See *In re Nantucket, Inc.*, 677 F.2d 95, 98, n.5 (C.C.P.A. 1982).

⁹ See MCCARTHY, *supra* note 6, at § 14:7.

¹⁰ *Id.*

¹¹ *Id.*

¹² See Mary LaFrance, *Innovations Palpitations: The Confusing Status of Geographically Misdescriptive Trademarks*, 12 J. INTELL. PROP. L. 125, 126 (2004) (citing *In re Wada*, 194 F.3d 1297, 1300 (Fed. Cir. 1999); *In re Loew’s Theatres, Inc.*, 769 F.2d 764, 767 (Fed. Cir. 1985); *In re House of Windsor, Inc.*, 221 U.S.P.Q. (BNA) 53 (T.T.A.B. 1983); *In re Nantucket, Inc.*, 677 F.2d 95, 98 n.5 (C.C.P.A. 1982); *Abercrombie & Fitch Co. v. Hunting World, Inc.* 537 F.2d 4, 11 (2d Cir. 1976)).

categories of geographic indicators did require a showing of secondary meaning. Here the statute begins to jump around. Pre-NAFTA, Section 2(e)(1) of the Lanham Act,¹³ encompassed two kinds of geographic indicators, marks that were merely descriptive and marks that were deceptively misdescriptive.¹⁴ Pre-NAFTA, Section 2(e)(2) also encompassed two kinds of geographic indicators, marks that were “primarily geographically descriptive or deceptively misdescriptive.”¹⁵ These two statutory sections encompassed four categories of geographic indicators: merely descriptive, deceptively misdescriptive, primarily geographically descriptive, and primarily geographically deceptively misdescriptive. Although merely descriptive marks and deceptively misdescriptive marks both fall under Section 2(e)(1), merely descriptive marks are more closely aligned with primarily geographically descriptive marks under Section 2(e)(2). In addition, deceptively misdescriptive marks under Section 2(e)(1) are more closely aligned with primarily geographically deceptively misdescriptive marks under Section 2(e)(2). Hence the explanation of the different categories in this essay jumps back and forth between these two sections of the statute.

Merely descriptive marks are marks that fall into the “descriptive” category on the *Abercrombie* spectrum.¹⁶ For geographic indicators, a mark that is merely descriptive is often a mark that indicates where something is from.¹⁷ Examples include Idaho potatoes or Washington apples. However, trademark law recognizes a fair use defense that favors allowing retailers to accurately describe where their goods come from. As a result, before any exclusive use of a geographic term is allowed, disclaimers may be necessary, multiple producers may be allowed to use the same descriptive term, and, at a minimum, secondary

¹³ 15 U.S.C. § 1052(e)(1) (1988) (amended 1993). Citations to the Lanham Act will be referred to by the latest section number throughout this Article.

¹⁴ *Id.*

¹⁵ 15 U.S.C. § 1052(e)(2) (1988) (amended 1993).

¹⁶ *See generally*, *Abercrombie & Fitch Co. v. Hunting World, Inc.* 537 F.2d 4, 11 (2d Cir. 1976).

¹⁷ *See* MCCARTHY, *supra* note 6, at §§ 14:2-14:3.

meaning may need to be demonstrated.¹⁸ This is the case with merely descriptive marks.

Similarly, secondary meaning is required for primarily geographically descriptive marks under Section 2(e)(2). A primarily geographically descriptive mark could be something like Seattle's Best Coffee for coffee that comes from Seattle or California Pizza Kitchen for restaurant services where customers would believe that the recipes, and possibly the food, originated in California.¹⁹ Board decisions and case law suggest that merely descriptive marks differ from primarily geographically descriptive marks in that a merely descriptive mark can describe where something is from whereas a primarily geographically descriptive mark seems to indicate something more, although many commentators lump the two categories together.²⁰ The word "primarily" was added to eliminate a previous trademark office practice of refusing the registration of a mark if it could be found anywhere in an atlas.²¹ The previous practice had developed essentially a per se rule that had led to such "absurd" results as denial of Antarctica for soda pop²² or Avon for perfume.²³

Similar to the arbitrary geographically descriptive marks, where no reasonable consumer would believe that the goods are associated with the place name, there is low likelihood of consumer confusion for merely descriptive and primarily geographically descriptive marks because the goods actually come from the place named. Because the mark is not arbitrary, however, merely descriptive and primarily geographically descriptive marks are treated like non-geographic merely descriptive marks and an additional step—a showing of secondary meaning—is required. Thus, the key for both merely descriptive and primarily geographically descriptive marks is that the goods actually come

¹⁸ See *id.* at §§ 14:12-14:14.

¹⁹ See *id.* at § 14:29 (citing *In re Cal. Pizza Kitchen Inc.*, 10 U.S.P.Q.2d 1704 (T.T.A.B. 1988)).

²⁰ 15 U.S.C. § 1052(e)(2) (1988) (amended 1993).

²¹ See *id.* at § 14:27.

²² *Id.* (citing *Companhia Antarctica Paulista v. Coe*, 146 F.2d 669 (D.C. Cir. 1945), *cert. denied*, 324 U.S. 880 (1945)).

²³ See *id.* at § 14:27 (citing *In re Cal. Perfume Co.*, 56 F.2d 885 (C.C.P.A. 1932)).

from the place named and secondary meaning must be proven.

3. Deceptively Misdescriptive Marks, Section 2(e)(1)

Deceptively misdescriptive marks, meanwhile, are geographic in nature, but not arbitrary, and the goods do not actually come from the place named.²⁴ There is an implicit assumption, however, that the consumer will not ultimately be influenced to purchase the good because the place is not “known for” or otherwise lacks a reputation for producing that particular good.²⁵ In other words, there is no goods/place association. In this sense, the mark differs from other “deceptive” marks such as the primarily geographically deceptively misdescriptive marks under Section 2(e)(2) and deceptive marks under Section 2(a), which will be discussed in the next two sections.

An example of a deceptively misdescriptive mark presented by Professor Mary LaFrance in her article on *California Innovations* is root beer made in Milwaukee, but called “Chicago.”²⁶ Assuming that people would not prefer root beer from Milwaukee versus Chicago or that there is no goods/place association between Chicago and root beer, then “Chicago” would be allowed to register upon a showing of secondary meaning.²⁷ Another example could be Arizona for jeans. These marks are deceptive because the good is not actually from the place that is being used as a geographical indicator. However, the consumer cost is considered low because the consuming public will not actually care whether the good comes from the place named.²⁸ Indeed, consumers may come to prefer “Chicago” root beer and “Arizona” jeans without ascribing value to whether they actually come from those

²⁴ 15 U.S.C. § 1052(e)(1) (1988) (amended 1993); U.S. PATENT AND TRADEMARK OFFICE, *Geographically Deceptive Marks, Basis for Refusal in TRADEMARK MANUAL OF EXAMINING PROCEDURE* § 1210.05(a) (8th ed. 2011) (noting pre-NAFTA basis for refusal).

²⁵ See *In re House of Windsor, Inc.*, 221 U.S.P.Q. (BNA) 53, 56 (T.T.A.B. 1983).

²⁶ See LaFrance, *supra* note 12, at 137.

²⁷ *Id.* at 138.

²⁸ *Id.* at 129.

respective places.

4. Primarily Geographically Deceptively Misdescriptive Marks,
Section 2(e)(2)

In contrast to deceptively misdescriptive marks, when it comes to primarily geographically deceptively misdescriptive marks, people do care where the goods come from. Section 2(e)(2) bars registration of a mark that “when used on or in connection with the goods of the applicant is primarily geographically descriptive or deceptively misdescriptive.”²⁹ In this section, “deceptively misdescriptive” is not read on its own, like Section 2(e)(1), but rather it is read as “primarily geographically . . . deceptively misdescriptive” or simply “primarily geographically deceptively misdescriptive.” A primarily geographically deceptively misdescriptive mark is one where the term is primarily geographic in nature, and there is a goods/place association between the good and the geographic location, but the good does not actually come from that place.³⁰ An example would be “Seattle’s Best Coffee” for coffee that does not actually come from Seattle.

Prior to the NAFTA amendments, this category of geographic indicator could register upon a showing of secondary meaning, provided the mark was not deceptive under Section 2(a).³¹ This is because Section 2(f) allowed registration for all marks under Section 2(e). Section 2(f) stated, “[e]xcept as expressly excluded in subsections (a), (b), (c), and (d) of this section, nothing herein shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant’s goods in commerce”³² (i.e. the applicant can show secondary meaning). This would include marks that were geographically descriptive (“Seattle’s Best Coffee” from Seattle), deceptively misdescriptive (“Chicago” root beer from Milwaukee), or primarily geographically deceptively misdescriptive (“Seattle’s Best Coffee” not from Seattle).

²⁹ 15 U.S.C. § 1052(e)(2) (1988) (amended 1993).

³⁰ See *In re Nantucket, Inc.*, 677 F.2d 95, 99 (C.C.P.A. 1982).

³¹ See MCCARTHY, *supra* note 6, at § 14:31.

³² 15 U.S.C. § 1052(f) (1988) (amended 1993).

5. Deceptive Marks, Section 2(a)

In contrast to Section 2(e), which specifically addressed geographic marks and allowed registration upon a showing of secondary meaning, section 2(a) covered a broad range of deceptive marks.³³ Section 2(a) did not explicitly mention geographic indicators.³⁴ Nonetheless, if a mark were primarily geographically deceptively misdescriptive under 2(e)(2), but it were also deceptive under 2(a), then it would be forbidden to register, even with a showing of secondary meaning.³⁵ A deceptive mark could be perceived as more damaging than the previous categories, although the Board and courts have struggled with the distinction between the primarily geographically deceptively misdescriptive and deceptive marks:

The distinction between a mark which is primarily geographically deceptively misdescriptive under Section 2(e)(2) of the Trademark Act and a geographical mark which is deceptive within the meaning of Section 2(a) of the Trademark Act is not immediately apparent from a reading of the Act. The Act's legislative history is, likewise, far from clear about the intended distinction between a mark that is to be denied registration as primarily geographically deceptively misdescriptive and one that is to be denied registration as deceptive. In fact, the legislative history suggests that at least some of the drafters perceived no distinction at all. The ambiguities in legislative intent notwithstanding, basic rules of statutory construction compel us to find that there is no distinction between a primarily geographically deceptively misdescriptive mark (which can be registered with proof of distinctiveness under Section 2(f)) and a deceptive geographical mark (which is unregistrable even

³³ *Id.*

³⁴ *Id.*

³⁵ *Id.*

under the provisions of Section 2(f).³⁶

For a mark to be deceptive under 2(a), the Board has noted, it would need to be material to the consumer's decision to purchase the good.³⁷

If the location were "noted for" the particular good or service, then the mark might be deceptive under Section 2(a).³⁸ This could occur when the good is a "principal product" of the location.³⁹ Accordingly, the pre-NAFTA test was a slightly heightened version of the two-part test under section 2(e)(2) inquiring whether the mark indicates a geographic term with a goods/place association, but the goods do not come from that place, for primarily geographically deceptively misdescriptive marks.⁴⁰

In embracing a "materiality" test to distinguish marks that fall within the proscription of Section 2(e)(2) [primarily geographically deceptively misdescriptive marks] from those that fall also within the proscription of Section 2(a) [deceptive marks], we are really saying no more than that we must look to the evidence that has been presented about the probable reaction of purchasers to a particular geographical term when it is applied to particular goods. If the evidence shows that the geographical area named in the mark is an area sufficiently renowned to lead purchasers to make a goods-place association but the record does not show that goods like applicant's or goods related to applicant's are a principal product of that geographical area, then the deception will most likely be found not to be material and the mark, therefore, not deceptive. On the other hand, if there is evidence that goods like applicant's or goods

³⁶ *In re House of Windsor, Inc.*, 221 U.S.P.Q. (BNA) 53, 56 (T.T.A.B. 1983) (footnote omitted).

³⁷ *Id.*

³⁸ *See In re Nantucket, Inc.*, 677 F.2d 95 (C.C.P.A. 1982).

³⁹ *See House of Windsor*, 221 U.S.P.Q. at 57.

⁴⁰ *See LaFrance*, *supra* note 12, at 130.

related to applicant's are a principal product of the geographical area named by the mark, then the deception will most likely be found material and the mark, therefore, deceptive.⁴¹

In this slightly heightened analysis, the focus is still on the goods-place association. In contrast, the focus completely shifted with the third of the Rader cases, *Spirits International*, to whether a significant portion of the relevant consuming public would be deceived.⁴²

B. Geographic Indicators Post-NAFTA

The NAFTA amendments resulted in one major change: the Lanham Act was amended to separate primarily geographically deceptively misdescriptive marks from other types of geographic indicators. The other categories were left largely untouched. This section will track the same basic order as the pre-NAFTA sections, including the new statutory section numbers.

1. (Arbitrary) Geographically Descriptive Marks

Geographically descriptive marks that are also arbitrary are treated the same post-NAFTA as pre-NAFTA: they can register without a showing of secondary meaning.⁴³

2. Merely Descriptive (Section 2(e)(1)) and Primarily Geographically Descriptive Marks (Section 2(e)(2))

Post-NAFTA, Section 2(e)(1) still addresses marks that are "merely descriptive" or "deceptively misdescriptive."⁴⁴ Marks that are merely descriptive can still register upon a showing of

⁴¹ *House of Windsor*, 221 U.S.P.Q. at 56.

⁴² *In re Spirits Int'l*, 563 F.3d 1347, 1357 (Fed. Cir. 2009).

⁴³ U.S. PATENT AND TRADEMARK OFFICE, *Geographically Descriptive Marks—Test in* TRADEMARK MANUAL OF EXAMINING PROCEDURE § 1210.01(a) (8th ed. 2011) (noting pre-NAFTA basis for refusal).

⁴⁴ 15 U.S.C. § 1052(e)(1) (1994).

secondary meaning.⁴⁵ Under Section 2(e)(2), marks that are primarily geographically descriptive can register upon a showing of secondary meaning or if they are a permissible certification or collective mark.⁴⁶

3. Deceptively Misdescriptive Marks, Section 2(e)(1)

Similarly, marks that are deceptively misdescriptive can still register upon a showing of secondary meaning.⁴⁷

4. Primarily Geographically Deceptively Misdescriptive Marks, Section 2(e)(3)

While most of the other categories remained the same, the primary change effectuated by the NAFTA amendments was separating primarily geographically deceptively misdescriptive marks from primarily geographically descriptive marks under Section 2(e)(2). Post-NAFTA, primarily geographically deceptively misdescriptive marks have a separate section, Section 2(e)(3).⁴⁸ This change is significant because the revised Section 2(f) allows registration on the principal register upon a showing of secondary meaning, *except* for subsections (a), (b), (c), (d), (e)(3) and (e)(5).⁴⁹ Section 2(a) still addresses deceptive marks.⁵⁰ Section (e)(3) is the new section for primarily geographically deceptively misdescriptive marks.⁵¹ This leaves sections 2(e)(1) and 2(e)(2) otherwise untouched, meaning that merely descriptive, deceptively misdescriptive, and primarily geographically descriptive marks can still register upon a showing of secondary meaning, but primarily geographically deceptively misdescriptive marks cannot.

The only primarily geographically deceptively misdescriptive marks that could register after the NAFTA amendments were such

⁴⁵ *Id.* at (f).

⁴⁶ *Id.* at (e)(2) .

⁴⁷ *Id.* at (f).

⁴⁸ *Id.* at (e)(3).

⁴⁹ *Id.* at (f).

⁵⁰ 15 U.S.C. § 1052(a) (1994).

⁵¹ *Id.* at (e)(3).

marks that were distinctive prior to enactment of the amendments. Section 2(f) explicitly states: “Nothing in this section shall prevent the registration of a mark which, when used on or in connection with the goods of the applicant, is primarily geographically deceptively misdescriptive of them, and which became distinctive of the applicant's goods in commerce before December 8, 1993.”⁵² Thus, this “grandfather clause” treats primarily geographically deceptively misdescriptive marks prior to December 8, 1993, the same as they would have been treated under the former statute, Section (2)(e)(2): they could register with a showing of secondary meaning whereas the marks under the revised statute could not.

5. Deceptive Marks, Section 2(a)

Under either version of the Lanham Act, deceptive marks could never register, even if secondary meaning could be shown. The new Section 2(a) forbids registration if the mark:

consists of or comprises immoral, deceptive, or scandalous matter; or matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs or national symbols, or bring them into contempt, or disrepute; or a geographical indication which, when used on or in connection with wines or spirits, identifies a place other than the origin of the goods and is first used on or in connection with wines or spirits by the applicant on or after one year after the date on which the WTO Agreement . . . enters into force with respect to the United States.⁵³

It makes sense that wines and spirits would be added to the deceptive section, which incorporates the most serious trademark offenses, because wines and spirits are afforded the highest level of protection for geographic indicators under the Agreement on

⁵² *Id.* at (f).

⁵³ 15 U.S.C. § 1052(a) (1994).

Trade-Related Aspects of Intellectual Property.⁵⁴ Although section 2(a) still covers marks that are “deceptive,” only wines and spirits, not general goods and services, were added to this Section.⁵⁵

To illustrate the differences in the Lanham Act, the following chart tracks the statutory sections and registration limitations pre and post-NAFTA.

Pre-NAFTA	Registration Limitations	Post-NAFTA	Registration Limitations
2(e)(1)-merely descriptive or deceptively misdescriptive	Can register with secondary meaning	2(e)(1)- merely descriptive or deceptively misdescriptive	Can register with secondary meaning
2(e)(2)-primarily geographically descriptive or deceptively misdescriptive	Can register with secondary meaning	2(e)(2)-primarily geographically descriptive	Can register with secondary meaning
		2(e)(3)-primarily geographically deceptively misdescriptive	Can only register if distinctive prior to December 8, 1993
2(a) deceptive	Cannot register	2(a) deceptive [references wine and spirits for GIs]	Cannot register

⁵⁴ See Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, THE LEGAL TEXTS: THE RESULTS OF THE RESULTS OF THE URUGUAY ROUND OF MULTILATERAL TRADE NEGOTIATIONS 320 (1999), 1869 U.N.T.S. 299, 33 I.L.M. 1197 (1994) [hereinafter TRIPs]; Uruguay Round Agreements Act, Pub. L. No 103-465, 108 Stat. 4809 (1994). See also Kevin M. Murphy, *Conflict, Confusion, and Bias Under TRIPs Articles 22-24*, 19 AM. U. INT’L L. REV. 1181, 1211 (2004).

⁵⁵ 15 U.S.C. § 1052(a) (Supp. V 1994).

II. CALIFORNIA INNOVATIONS AND LES HALLES ADD A MATERIALITY REQUIREMENT

In 2003, Judge Rader authored both *In re California Innovations, Inc.*⁵⁶ and *In re Les Halles de Paris J.V.*,⁵⁷ interpreting the NAFTA amendments. *California Innovations* addressed primarily geographically deceptively misdescriptive marks for goods and *Les Halles* addressed the same for services. Judge Rader's significant contribution to trademark jurisprudence is that these cases added a materiality requirement for such marks, previously only seen for deceptive marks under Section 2(a). This requirement was not explicit for primarily geographically deceptively misdescriptive marks either pre-NAFTA⁵⁸ or post-NAFTA, even in other Federal Circuit cases.⁵⁹ In adding the materiality requirement, Judge Rader and the Federal Circuit raised the bar for rejecting a primarily geographically deceptively misdescriptive mark.⁶⁰

A. California Innovations

In *California Innovations*, the applicant had filed a composite mark including the words "California Innovations" for car visor and trunk organizers; backpacks; thermal tote bags; thermal wraps for cans; and nylon, vinyl, polyester and/or leather storage bags.⁶¹ The trademark examiner refused to register the mark, determining that it was primarily geographically deceptively misdescriptive, and the Board upheld this rejection.⁶²

On appeal, the Federal Circuit vacated and remanded the

⁵⁶ 329 F.3d 1334 (Fed. Cir. 2003).

⁵⁷ 334 F.3d 1371 (Fed. Cir. 2003).

⁵⁸ See, e.g., *In re Nantucket, Inc.*, 677 F.2d 95 (C.C.P.A. 1982); *Institut Nat'l des Appellations D'Origine v. Vintners Int'l Co., Inc.*, 958 F.2d 1574 (Fed. Cir. 1992).

⁵⁹ See, e.g., *In re Hiromichi Wada*, 194 F.3d 1297 (Fed. Cir. 1999); *In re Save Venice New York, Inc.*, 259 F.3d 1346 (Fed. Cir. 2001).

⁶⁰ See MCCARTHY, *supra* note 6, at § 14:33.

⁶¹ 329 F.3d at 1336.

⁶² *Id.*

Board's decision, reasoning that the Board had failed to apply an updated test now required by the NAFTA amendments.⁶³ Instead of the two-part test applied pre-NAFTA in cases such as *In re Nantucket*,⁶⁴ and *Vintners*⁶⁵ and post-NAFTA in cases such as *Wada*⁶⁶ and *Save Venice*,⁶⁷ the court determined that there was now a third step to the analysis: an assessment of materiality.⁶⁸ According to the new test, the trademark office could deny registration under Section 2(e)(3) only if:

(1) the primary significance of the mark is a generally known geographic location, (2) the consuming public is likely to believe the place identified by the mark indicates the origin of the goods bearing the mark, when in fact the goods do not come from that place, and (3) *the misrepresentation was a material factor in the consumer's decision.*"⁶⁹

The court had good reason to believe that the NAFTA amendments either raised or lowered the standard for rejecting a primarily geographically deceptively misdescriptive mark; however, the court simply went the wrong way.⁷⁰ Because Section 2(e)(3) separated primarily geographically deceptively misdescriptive marks from merely descriptive, deceptively misdescriptive, or primarily geographically descriptive marks, the Federal Circuit reasoned that primarily geographically deceptively misdescriptive marks should somehow be treated differently than before the NAFTA amendments.⁷¹ It reasoned that the intent of the change was to make primarily geographically deceptively

⁶³ *Id.* at 1337.

⁶⁴ 677 F.2d 95 (C.C.P.A. 1982).

⁶⁵ *Institut Nat'l des Appellations D'Origine v. Vintners Int'l Co., Inc.*, 958 F.2d 1574 (Fed. Cir. 1992).

⁶⁶ *In re Hiromichi Wada*, 194 F.3d 1297 (Fed. Cir. 1999).

⁶⁷ *In re Save Venice New York, Inc.*, 259 F.3d 1346 (Fed. Cir. 2001).

⁶⁸ *See In re Cal. Innovations, Inc.*, 329 F.3d 1334, 1341 (Fed. Cir. 2003), *reh'g* and *reh'g en banc denied* Aug. 20, 2003.

⁶⁹ *Id.* at 1341 (emphasis added).

⁷⁰ *See infra*, section IV.

⁷¹ *Cal. Innovations*, 329 F.3d at 1338-40.

misdescriptive marks treated the same as other deceptive marks under Section 2(a).⁷²

The court reached this conclusion because the other categories of marks—merely descriptive, primarily geographically descriptive, and deceptively misdescriptive—could still register with a showing of secondary meaning, but primarily geographically deceptively misdescriptive marks could not.⁷³ The result, an absolute bar, was now harsher than pre-NAFTA, when primarily geographically deceptively misdescriptive marks *could* register with a showing of secondary meaning.⁷⁴ As a result, the court reasoned, primarily geographically deceptively misdescriptive marks were now more like other deceptive marks under 2(a), which also could not register, even with a showing of secondary meaning.⁷⁵ Accordingly, the court added a materiality requirement that it reasoned was similarly required for a rejection under Section 2(a) for deceptive marks.⁷⁶

B. Les Halles

In *In re Les Halles de Paris J.V.*, a panel decision again authored by Judge Rader, the Federal Circuit added a materiality requirement for primarily geographically deceptively misdescriptive services.⁷⁷ In *Les Halles*, the trademark office denied, and the Board affirmed, an application for “Le Marais” for a New York French kosher restaurant, reasoning that the name was primarily geographically deceptively misdescriptive because of a false association with a Jewish quarter named Le Marais in France.⁷⁸ This decision issued just a couple of months after *California Innovations*, so not surprisingly, the court reached a similar conclusion. The court vacated and remanded the Board’s decision in order to apply the new three-part test, including the

⁷² *See id.*

⁷³ *See id.*

⁷⁴ *See id.*

⁷⁵ *See id.* at 1337.

⁷⁶ *See id.* at 1338.

⁷⁷ *See In re Les Halles de Paris J.V.*, 334 F.3d 1371, 1374 (Fed. Cir. 2003).

⁷⁸ *See id.* at 1372.

materiality component, articulated in *California Innovations*.⁷⁹ Applying a similar statutory interpretation as in *California Innovations*, the court reasoned that Section 2(e)(3) now requires “a focus on whether the public is deceived [similar to Section 2(a)], rather than solely on whether the mark was distinctive [similar to the pre-NAFTA Section 2(e)(2)].”⁸⁰

III. *SPIRITS INTERNATIONAL* RAISES THE MATERIALITY REQUIREMENT TO “SUBSTANTIAL NUMBER OF RELEVANT CLASS”

After *California Innovations* and *Les Halles*, Judge Rader sat on a panel that again raised the bar for rejecting a mark as primarily geographically deceptively misdescriptive.⁸¹ According to the court’s decision in *Spirits International*, authored by Judge Dyk, materiality requires that a substantial number of the relevant class of consumers is likely to be deceived.⁸² Specifically, the court stated that “in order to establish a prima facie case of materiality there must be some indication that a substantial portion of the relevant consumers would be materially influenced in the decision to purchase the product or service by the geographic meaning of the mark.”⁸³ Accordingly, Judge Rader in *Spirits International*, again contributed to a significant change in trademark jurisprudence.⁸⁴

In 1993, *Spirits International* filed an application for “Moskovskaya” on vodka that would not be manufactured, produced, or sold in Moscow.⁸⁵ Shortly thereafter, the trademark

⁷⁹ See *id.* at 1373.

⁸⁰ *Id.*

⁸¹ See MCCARTHY, *supra* note 6, at § 14:33.

⁸² See *In re Spirits Int’l, N.V.*, 563 F.3d 1347, 1357 (Fed. Cir. 2009).

⁸³ *Id.* at 1356-57.

⁸⁴ See Rebecca Tushnet, *Running the Gamut from A to B: Federal Trademark and False Advertising Law*, 159 U. PA. L. REV. 1305, 1352-73 (2011) (discussing materiality); Rebeccah Gan, *2009 Trademark Law Decisions of the Federal Circuit*, 59 AM. U. L. REV. 1115, 1122-25. See generally, Travis Manfredi, *In re Spirits International, N.V. 563 F.3d 1347 (Fed. Cir. 2009)*, 14 INTELL. PROP. L. BULL. 71 (2009).

⁸⁵ See *Spirits Int’l*, 563 F.3d at 1349-50.

examiner refused registration.⁸⁶ In 1994 the application was suspended pending the outcome of three similar applications.⁸⁷ By 2006, the other applications had been abandoned and the trademark office issued a final refusal for *Moscovskaya* as primarily geographically deceptively misdescriptive.⁸⁸

The trademark examiner determined that *Moscovskaya* meant “of or from Moscow.”⁸⁹ The examiner also found that Moscow was a generally known geographic location, there was a goods/place association between vodka and Moscow, and the public would likely believe that the vodka was from Moscow because of this association.⁹⁰ Applying the materiality requirement from *California Innovations*, the examiner determined that the mistaken belief would be material to consumers “because Russian vodka is highly regarded.”⁹¹

The Trademark Trial and Appeal Board agreed with the examiner’s decision.⁹² Regarding materiality, however, the Board said that “an appreciable number of consumers” must be deceived.⁹³ According to the Board, “[a]ll that is required is a showing that *some portion* of relevant consumers will be deceived.”⁹⁴ The Board found that the materiality requirement was met because Russian speakers would be deceived and 706,000 people in the United States speak Russian.⁹⁵ This group reflected ordinary American purchasers knowledgeable in English and Russian, according to the Board.⁹⁶

On appeal, the Federal Circuit disagreed with this interpretation of the materiality requirement. The court implied that the number of Russian speakers was relevant to whether the

⁸⁶ *See id.* at 1350.

⁸⁷ *See id.*

⁸⁸ *See id.*

⁸⁹ *Id.*

⁹⁰ *See id.*

⁹¹ *Spirits Int’l*, 563 F.3d at 1350.

⁹² *See id.* at 1349.

⁹³ *Id.* at 1350.

⁹⁴ *Id.* at 1351.

⁹⁵ *See id.*

⁹⁶ *See id.*

mark would be translated under the doctrine of foreign equivalents, but not dispositive with regard to materiality.⁹⁷ Instead, the court reasoned that materiality requires an inquiry into whether “a substantial portion of the relevant consumers is likely to be deceived, not whether any absolute number or particular segment of the relevant consumers (such as foreign language speakers) is likely to be deceived.”⁹⁸ Furthermore, those consumers must be influenced in their purchasing decision because of this deception.⁹⁹ According to the court, the correct inquiry was not whether Russian language speakers constituted an appreciable number of consumers, “but whether Russian language speakers were a substantial portion of the intended audience.”¹⁰⁰ The court thus remanded the case to determine the composition of the vodka-buying public, of which, it noted, Russian speakers could be a significant portion.¹⁰¹

IV. THE INTENT OF NAFTA AMENDMENTS WAS NOT TO RAISE THE BAR FOR REGISTRATION

Although in many ways the *Spirits International* interpretation flowed from the logic in *California Innovations* and *Les Halles*,¹⁰² the problem with the added gloss is that it implies a presumptiveness of registerability of geographically deceptive marks.¹⁰³ As the court stated in *Spirits International*, “in order to establish a prima facie case of materiality there must be some indication that a substantial portion of the relevant consumers would be materially influenced in the decision to purchase the

⁹⁷ See *Spirits Int'l*, 563 F.3d at 1351. The Federal Circuit’s application of the doctrine of foreign equivalents has also been criticized. See Serge Krimnus, *The Doctrine of Foreign Equivalents at Death’s Door*, 12 N.C. J.L. & TECH. 159, 178-87 (2010); Jonathan Skinner, *Overcoming Babel’s Curse: Adapting the Doctrine of Foreign Equivalents*, 93 J. PAT. & TRADEMARK OFF. SOC’Y 57, §§ V-VI (2011).

⁹⁸ *Spirits Int'l*, 563 F.3d at 1353.

⁹⁹ See Gan, *supra* note 84, at 1124.

¹⁰⁰ See Manfredi, *supra* note 84, at 73.

¹⁰¹ See *Spirits Int'l*, 563 F.3d at 1357.

¹⁰² See *id.* at 1353.

¹⁰³ See Tushnet, *supra* note 84, at 1360.

product or service by the geographic meaning of the mark.”¹⁰⁴ Instead of a presumption that misleading geographic indicators would *not* be registerable, as required by NAFTA¹⁰⁵ and TRIPs,¹⁰⁶ this statement presumes that misleading geographic indicators will be registerable *unless* “a substantial portion of the relevant consumers would be materially influenced.”¹⁰⁷ This change in presumption again raises the bar and makes it more difficult to deny registration for primarily geographically deceptively misdescriptive marks, rather than making it easier to deny registration of misleading geographic indicators.¹⁰⁸

Once Judge Rader and the respective Federal Circuit panels interpreted the NAFTA amendments as aligning primarily geographically deceptively misdescriptive marks with other deceptive marks under Section 2(a),¹⁰⁹ it made some sense for the court to add a materiality component because materiality was arguably a part of the pre-NAFTA deceptiveness analysis.¹¹⁰ Once they decided that it was necessary for goods, it logically followed to apply the same or a similar requirement for services. Once the court took these steps, it also made some sense to interpret materiality to require something similar to unfair competition, because Section 2(a) arguably has similar underpinnings.¹¹¹ These steps all began with the premise that NAFTA required that the new Section 2(e)(3) should be treated the same as Section 2(a) and that Section 2(a) required a heightened level of materiality. Because these underlying premises are debatable, however, this author

¹⁰⁴ *Spirits Int'l*, 563 F.3d at 1357 (emphasis added).

¹⁰⁵ See NAFTA, *supra* note 4, Article 1712(1)(a).

¹⁰⁶ See TRIPs, *supra* note 53, Articles 22-24. See Murphy, *supra* note 53, at 1221-29; Albrecht Conrad, *The Protection of Geographical Indications in the TRIPs Agreement*, 86 TRADEMARK REP. 11, 24-25 (1996).

¹⁰⁷ *Spirits Int'l*, 563 F.3d at 1357.

¹⁰⁸ See Tushnet, *supra* note 84, at 1360; LaFrance, *supra* note 12 at 141-47.

¹⁰⁹ *Spirits Int'l*, 563 F.3d at 1353 (citing *Cal. Innovations*, 329 F.3d at 1339-40).

¹¹⁰ See *Institut Nat. Des Appellations D'Origine v. Vintners Intern. Co., Inc.*, 958 F.2d 1580 (Fed. Cir. 1992).

¹¹¹ See *Spirits Int'l*, 563 F.3d at 1355-56.

suggests that the Federal Circuit took a wrong turn at the beginning.

*A. NAFTA Amendments Separated Primarily Geographically
Deceptively Misdescriptive Marks from Primarily
Geographically Descriptive Marks*

The primary purpose of the NAFTA amendments was to forbid primarily geographically deceptively misdescriptive marks from registering, even if secondary meaning could be shown. The main intent of the changes was to decouple section 2(e)(2), and thus to further separate primarily geographically deceptively misdescriptive marks under (2(e)(2)) from ones that were primarily geographically descriptive under (2(e)(2)) or even ones that were geographically misdescriptive under (2(e)(1)), not to treat them the same as deceptive marks under Section 2(a). The result would be to lower the bar for rejecting a primarily geographically deceptively misdescriptive mark, rather than raising it.

By placing primarily geographically deceptively misdescriptive marks in their own section and carving them out from other geographic indicators capable of registration, while not including them in the section for deceptive marks, Congress indicated its intent to treat such marks independently. This suggests that primarily geographically deceptively misdescriptive marks should now be treated more critically than before.¹¹² Separating primarily geographically deceptively misdescriptive marks from primarily geographically descriptive marks does not automatically lead to an inference that they should be treated on the same level as deceptive marks. Rather, the only clear inference is that Congress intended primarily geographically deceptively misdescriptive marks to be treated differently than primarily geographically descriptive marks, because these were the only classifications now placed in separate subsections. The Senate Report supports this interpretation:

Paragraphs two and three of Article 1712 require

¹¹² See Eleanor K. Meltzer, *Where in the World is ? Examination of Trademarks Containing Geographical Indicators Under NAFTA*, 77 J. PAT. & TRADEMARK OFF. SOC'Y 803, 805-06 (1995).

NAFTA governments to refuse to register marks that are deceptively misdescriptive in respect of geographic origin regardless of whether the mark has acquired distinctiveness. By contrast, the article does not prohibit the registration of primarily geographically descriptive marks.

In light of this difference in treatment, section 333 of the bill creates a distinction in subsection 2(e) of the Trademark Act between geographically “descriptive” and “misdescriptive” marks and amends subsections 2(f) and 23(a) of the Act to preclude registration of “primarily geographically deceptively misdescriptive” marks on the principal and supplemental registers, respectively. The law as it relates to “primarily geographically descriptive marks” would remain unchanged.¹¹³

The intention of this separation is also clear from the grandfather clause and the additional changes to subsection 2(f), the section that relates to secondary meaning. The grandfather clause added to Section 2(f) permits registration of primarily geographically deceptively misdescriptive marks if they acquired distinctiveness prior to December 8, 1993, the date of the NAFTA amendments.¹¹⁴ This grandfather clause intentionally carves out the limited circumstance under which primarily geographically deceptively misdescriptive marks could register—if they are pre-NAFTA marks *and* they have acquired secondary meaning. A straight-forward reading of the statute, consistent with legislative intent, would make this the only registerable category of primarily geographically deceptively misdescriptive marks.¹¹⁵

Conversely, under the revised Section 2(f), primarily geographically deceptively misdescriptive marks can no longer register with a showing of secondary meaning, whereas primarily geographically descriptive (and even deceptively misdescriptive)

¹¹³ S. REP. No. 103-189, at 124 (1993).

¹¹⁴ 15 U.S.C. § 1052(f) (1994).

¹¹⁵ See LaFrance, *supra* note 12, 145-46.

marks still can.¹¹⁶ Accordingly, all that one may infer from the NAFTA amendments is that primarily geographically deceptively misdescriptive marks should now be treated differently from primarily geographically descriptive marks, not that they should be treated the same as other deceptive marks. Furthermore, primarily geographically deceptively misdescriptive marks cannot register even with a showing of secondary meaning. In this sense, there is a clear intent that fewer primarily geographically deceptively misdescriptive marks should register.

If Congress had wanted primarily geographically deceptively misdescriptive marks to be treated the same as deceptive marks, it could have simply eliminated any reference to primarily geographically deceptively misdescriptive marks from the statute. If they were indeed now covered under Section 2(a), listing them in their own subsection would be superfluous.¹¹⁷ Congress could have easily added primarily geographically deceptively misdescriptive marks to Section 2(a) instead of giving them their own subsection. The amendments were an opportunity to make either of these changes and to streamline deceptiveness analysis, yet Congress opted not to make these changes. Instead of adding primarily geographically deceptively misdescriptive marks to Section 2(a) either explicitly or by eliminating them altogether, they were placed in their own section, Section 2(e)(3).

Instead of adding primarily geographically deceptively misdescriptive marks to Section 2(a) or eliminating it altogether, Congress later added the narrower category of geographically deceptive wine and spirits to Section 2(a).¹¹⁸ Congress could have added all (deceptive) geographic indicator goods and services, but did not. This may be because Article 23 of TRIPs treats wines and spirits differently from other geographic indicators.¹¹⁹ Wine and spirits that are simply deceptively misdescriptive under the pre-NAFTA standards would not be allowed to register unless they were grandfathered in or otherwise exempt. This means that unless a wine or spirit were considered generic, appears on the list of

¹¹⁶ 15 U.S.C. § 1052(f) (1994).

¹¹⁷ See generally, LaFrance, *supra* note 12.

¹¹⁸ 15 U.S.C. § 1052(a) (1994).

¹¹⁹ See TRIPs, *supra* note 53, art. 23.

semi-generic wines, or was specifically grandfathered in, the mark could not register if it indicates a place that is not actually the source of the wine or spirit.¹²⁰ Significantly, no materiality is required for wines and spirits.

This tells us two things. First, that not all subcategories of Section 2(a) have a materiality requirement. This is true also of other enumerated categories under section 2(a), such as functional marks. Even if primarily geographically deceptively misdescriptive marks were specifically listed under Section 2(a), this would not mean that a showing of materiality would be required. Second, Congress could have added all (deceptive) geographic indicators to Section 2(a), but chose only to specifically include wines and spirits.¹²¹ The result of the Rader case trio, however, is that there is now a more stringent test in place to reject a proposed primarily geographically deceptively misdescriptive mark.

B. NAFTA and TRIPs Mandate that Geographic Indicators Should Not Be Misleading

When the United States signed NAFTA and TRIPs, it agreed to forbid registration of “misleading” geographic indicators as trademarks.¹²² NAFTA Article 1712(1)(a) required its signatories to prohibit trademark registration of geographic indicators for goods that do not originate in the place named if the public would be misled as to the geographic origin of the goods.¹²³ Articles 22-24 of TRIPs, meanwhile, also prohibit geographic indicators that would mislead, although there is less room for misdescriptive marks for wines and spirits.¹²⁴ The implementation of Article 1712(1)(a) of the NAFTA agreement has already been discussed in some detail. Congress opted not to make additional amendments to

¹²⁰ See *id.*

¹²¹ Even if non-wine and spirit GIs should have a materiality standard in order to distinguish them from wine and spirits, which are unregistrable merely if they are deceptively misdescriptive, *Spirits International* raised the standard beyond the previous deceptiveness standard under Section 2(a).

¹²² See Brauneis and Schechter, *supra* note 5, 835.

¹²³ See NAFTA, *supra* note 4, art. 1712(1)(a).

¹²⁴ See TRIPs, *supra* note 53, art. 22-24.

the Lanham Act for deceptive goods and services following TRIPs.¹²⁵ “Misleading” for both NAFTA and TRIPs refers to the geographic source, not to consumers generally being misled.¹²⁶

As a result of the NAFTA amendments, reinforced by TRIPs, trademark examiners should now have a lower bar for refusing registration of primarily geographically deceptively misdescriptive marks. As one trademark examiner opined shortly after the changes:

Section 2(e)(3) represents a much more serious challenge to registration than did its predecessor Section 2(e)(2). Section 2(e)(3) eliminates the two-part analysis that was required under former Section 2(e)(2) to determine whether a mark is absolutely unregistrable under Section 2(a). Prior to December 8, 1993, marks would be considered geographically deceptively misdescriptive under Section 2(a) only when the place named was well-known or “noted for” the goods or services named and such fact would materially influence the consumer. Therefore, under former Section 2(e)(2), the examining attorney reviewed marks containing geographic indicators to determine whether the place identified was likely to be material to consumers’ decision to purchase the goods or use the services. If so, and if the goods or services did not come from the place named, the mark would be absolutely unregistrable under Section 2(a). However, if the place named was not likely to materially influence a consumer, the mark would “only” be considered primarily geographically deceptively misdescriptive and thus registrable under Section 2(f).¹²⁷

Denial to register such misleading geographic indicators would be easier post-NAFTA, and the bar would be lower, precisely

¹²⁵ 15 U.S.C. § 1052(a) (1994).

¹²⁶ See Brauneis and Schechter, *supra* note 5, 836.

¹²⁷ Meltzer, *supra* note 112, 806.

because the materiality requirement would not now be reached under Section 2(e)(3):

For applications filed after December 8, 1993, the U.S. Patent and Trademark Office will consider the geographic indicator in a proposed mark to be geographically deceptively misdescriptive if the geographic location is neither obscure nor remote and the applicant's goods and/or services are not manufactured, rendered, or produced in the location indicated. In this respect, a refusal under Section 2(e)(3) is much closer to an absolute bar to registration under Section 2(a) than was a similar refusal under the old Section 2(e)(2), because the question of material influence on the consumer may never be reached. Furthermore, since the Office now reviews geographic terms solely in light of their significance as geographic indicators, it is of little relevance, for purposes of overcoming a refusal under Section 2(e)(3), to indicate that a particular geographic location is not "noted for" specific goods or services.¹²⁸

Indeed, other articles have argued that the NAFTA amendments made it harder to register deceptive marks at all, even those that would have been permissible pre-NAFTA.¹²⁹ Judge Rader and the Federal Circuit in *California Innovations*, *Les Halles*, and *Spirits International* took the opposite approach, going too far in the direction of protecting primarily geographically deceptively misdescriptive marks, even when they are misleading.

V. THE FEDERAL CIRCUIT SHOULD INFER MATERIALITY IF A PLACE IS "KNOWN FOR" A GOOD OR SERVICE

After the NAFTA Amendments and prior to the Rader GI trio, the Federal Circuit decided two cases involving geographic

¹²⁸ *Id.*

¹²⁹ *See, e.g.,* Renaud, *supra* note 7.

indicators that were allegedly primarily geographically deceptively misdescriptive. These cases are significant because they did *not* interpret the NAFTA amendments as requiring a separate materiality analysis, as the court did in *California Innovations*, *Les Halles*, and *Spirits International*. The Federal Circuit could now look back to these cases for some additional guidance, even if it still imposes a materiality standard.

In both *In re Wada*¹³⁰ and *Save Venice*,¹³¹ the court inferred some level of deceptiveness (and arguably materiality) either because the location was known for the goods in question or because there was a strong goods/place association. This could be because the location was known for a particular good or because the good was a principal product of that location. The “known for” and “principal product” language echoes the previous version of materiality under pre-NAFTA 2(a), suggesting that an additional materiality step would not be required.¹³² An inference of materiality, furthermore, would provide some temperance to the additional step taken in *Spirits International*.¹³³

A. *In re Wada*

In 1999, the Federal Circuit decided *In re Wada*. The trademark applicant, Wada, sought to register “New York Ways Gallery” for various “leather bags, luggage, backpacks, wallets, [and] tote bags.”¹³⁴ The trademark examiner rejected the application because the primary significance of “New York” was geographical, the evidence supported the determination that the public associated hand bags and luggage with New York, and the goods were not from New York.¹³⁵ Wada appealed and the

¹³⁰ *In re Hiromichi Wada*, 194 F.3d 1297 (Fed. Cir. 1999).

¹³¹ *In re Save Venice New York, Inc.*, 259 F.3d 1346 (Fed. Cir. 2001).

¹³² See *In re Nantucket, Inc.*, 677 F.2d 95, 97 (C.C.P.A. 1982); *In re House of Windsor, Inc.*, 221 U.S.P.Q. (BNA) 53, 57 (T.T.A.B. 1983).

¹³³ Furthermore, the Federal Circuit, post-NAFTA in these cases, applied the reasoning from pre-NAFTA cases such as *Vintners* and *Nantucket*, which support the conclusion that a mistaken goods/place association can deceive the public and render a mark primarily geographically deceptively misdescriptive.

¹³⁴ *In re Wada*, 194 F.3d 1297, 1299 (Fed. Cir. 1999).

¹³⁵ See *id.*

Trademark Trial and Appeal Board affirmed the refusal concluding that the proposed mark was primarily geographically deceptively misdescriptive.¹³⁶ In particular, the Board identified evidence that “(1) New York is a well-known geographic place and (2) New York is a well-known place where leather goods and handbags are designed and manufactured.”¹³⁷ It rejected Wada’s contention that the mark was “intended to evoke a ‘New York Style’” and thus was not primarily geographic in nature.¹³⁸

The court applied a two-part analysis in assessing the Board’s refusal. First, is the mark’s primary significance a generally known geographic place?¹³⁹ Second, does the mark identify products that purchasers are likely to believe mistakenly are connected with that location?¹⁴⁰ To satisfy the second inquiry requires a showing that “the public is likely to believe mistakenly that the mark identifies a place connected with the goods—a goods/place association.”¹⁴¹ The Board had found it likely that the public would believe that bags bearing the mark “New York Ways Gallery” would have some connection with New York, which they did not, and hence would be deceived.¹⁴² The Board relied upon evidence that New York is a renowned fashion center, well-known for the manufacture of handbags.¹⁴³ Manufacturer listings and NEXIS excerpts showing leather goods and handbag manufacturers located in New York supported the Board’s conclusions.¹⁴⁴

B. *In re Save Venice*

Two years later, in *In re Save Venice New York, Inc.*, the Federal Circuit again affirmed the Trademark Trial and Appeal

¹³⁶ *See id.*

¹³⁷ *Id.*

¹³⁸ *See id.*

¹³⁹ *See id.* at 1299-1300 (citing Institut Nat’l Des Appellations D’Oirgine v. Vintners Int’l Co., 958 F.2d 1574, 1580 (Fed. Cir. 1992)).

¹⁴⁰ *See id.*

¹⁴¹ *Id.* (citing *In re Nantucket, Inc.*, 677 F.2d 95, 99 (C.C.P.A. 1982)).

¹⁴² *See id.* at 1300.

¹⁴³ *See id.*

¹⁴⁴ *See id.*

Board's rejection of a primarily geographically deceptively misdescriptive mark.¹⁴⁵ The applicant had sought to register composite marks for "The Venice Collection" and "Save Venice Inc." with a winged Lion of St. Mark, an image affiliated with the City of Venice.¹⁴⁶ The applicant filed in nine international classes, including potpourri, tableware, lamps, clocks, art prints, paper products, furniture, dinnerware, glassware, bedding, and carpets.¹⁴⁷ The examiner relied upon an encyclopedia and a gazetteer and determined that Venice is "known for paper, publishing, printing, textiles, jewelry, art objects, glassmaking, housewares and lace."¹⁴⁸ Because the goods were actual goods or associated goods of traditional Venetian products and the goods did not come from Venice, the examiner concluded that the public would mistakenly believe that there was a goods/place association and be deceived.¹⁴⁹ The Board affirmed the examiner's rejection.¹⁵⁰

On appeal, the Federal Circuit applied the same two-part test as *Wada*, inquiring first whether the mark's primary significance was a generally known geographic location and, second, whether consumers would reasonably believe that the applicant's goods were connected with the geographic location, when they indeed were not.¹⁵¹ Discussing when a mark *would* pass the goods/place association test, the court stated that "if the public would not reasonably associate the goods with the geographic location indicated by the mark, 'the public is not deceived and the mark is accordingly not primarily geographically deceptively misdescriptive.'"¹⁵² Such a mark would be able to register.¹⁵³ In this case, however, the mark was primarily geographic, there was a goods/place association between the goods and Venice, or they

¹⁴⁵ *In re Save Venice New York, Inc.*, 259 F.3d 1346, 1356 (Fed. Cir. 2001).

¹⁴⁶ *See id.* at 1349-50.

¹⁴⁷ *See id.* at 1350.

¹⁴⁸ *Id.*

¹⁴⁹ *See id.*

¹⁵⁰ *See id.* at 1351.

¹⁵¹ *See Save Venice*, 259 F.3d at 1351.

¹⁵² *Id.* at 1354 (quoting *Nantucket*, 677 F.2d at 99).

¹⁵³ *See Save Venice*, 259 F.3d at 1354.

were associated goods, and those goods did not come from Venice.¹⁵⁴

C. Examination Practicalities and Burden of Proof

When considering *In re Wada, Save Venice*, and the new materiality standard, it is important to recognize that challenges to geographical indicators are often cases without a third party. Thus, it is the trademark examiner who bears the burden of proof that the mark is primarily geographically deceptively misdescriptive.¹⁵⁵ In *Wada* and *Save Venice*, the examiners were able to rely upon gazetteers, encyclopedias, and Internet searches to prove a goods/place association, whereas *California Innovations*, *Les Halles*, and *Spirits International* suggest that an actual survey might be necessary to show materiality, an undertaking not reasonably feasible nor warranted for a trademark examiner. Demonstrating the ambiguity of the relevant class and the scope of deception needed to meet the materiality requirement, the court in *Spirits International* said that “in some cases the entire U.S. population would be the intended audience, out of which a substantial portion must be deceived.”¹⁵⁶

By imposing a willingness to imply materiality, however, trademark examiners could continue to rely upon the same forms of evidence previously utilized to find a goods/place association and to reject primarily geographically deceptively misdescriptive marks. Perhaps the standard could be raised to “known for” or “principal product” rather than a more basic goods/place association. This would still be more reasonable than requiring a showing of materiality as ultimately articulated in *Spirits International*. This inference would better balance the interests of NAFTA and TRIPs to forbid “misleading” geographic indicators. There is support for this approach in *California Innovations* itself

¹⁵⁴ See *id.* at 1356.

¹⁵⁵ See MCCARTHY, *supra* note 6, at § 14:33. Note that all of the primarily geographically deceptively misdescriptive cases discussed in this Article were cases against the Trademark Office.

¹⁵⁶ Manfredi, *supra* note 84, at 73; see *In re Spirits Int'l, N.V.*, 563 F.3d 1347, 1356 (2009).

in the way it references *In re Wada* and *Save Venice*,¹⁵⁷ as well as in the trademark office's interpretations in its manual of examining procedures,¹⁵⁸ and recent decisions from the Trademark Trial and Appeal Board.¹⁵⁹

CONCLUSION

It is indisputable that Judge Rader and the Federal Circuit's interpretation of the NAFTA amendments have significantly altered the analysis and the burden of proof for rejecting primarily geographically deceptively misdescriptive marks by adding a materiality requirement. Accordingly, Judge Rader significantly contributed to trademark jurisprudence with regard to primarily geographically deceptively misdescriptive marks by changing the pre-NAFTA two-part test to the current four-part test: (1) the primary significance of the mark is a generally known geographic location; (2) the goods or services do not originate in the place identified in the mark; (3) purchasers would be likely to believe that the goods or services originate in the geographic place identified in the mark; and (4) the misrepresentation would be a material factor in a significant portion of the relevant consumers' decision to buy the goods or use the services.¹⁶⁰

Whereas this test conceivably makes it more difficult to reject a primarily geographically deceptively misdescriptive mark, the NAFTA amendments were actually intended to make it easier to

¹⁵⁷ See *In re Cal. Innovations, Inc.* 329 F.3d 1334, 1341 (Fed. Cir. 2003).

¹⁵⁸ See U.S. PATENT AND TRADEMARK OFFICE, *Materiality in Cases Involving Goods in TRADEMARK MANUAL OF EXAMINING PROCEDURE* § 1210.05(c)(i) (8th ed. 2011).

¹⁵⁹ See *In re Jonathan Drew, Inc.*, 97 U.S.P.Q.2d 1640 (T.T.A.B. 2010) (citing Gazetteer and website evidence from examining attorney to support materiality of Kuba Kuba on cigars and refuting argument that more evidence was needed in light of *California Innovations* and *Spirits International*); *In re Compania de Licores Internacionales S.A.*, No. 75010230, 2012 WL 1267898 (T.T.A.B. Mar. 20, 2012) (reasoning that materiality can be inferred from evidence that a place is famous as a source of particular goods, Cuban rum in this instance).

¹⁶⁰ See U.S. PATENT AND TRADEMARK OFFICE, *supra* note 158, at § 1210.05(b).

reject this category of marks. Statutory construction suggests that the NAFTA amendments only meant to carve out an exception that primarily geographically deceptively misdescriptive marks could not register, even with a showing of secondary meaning, whereas merely descriptive, primarily geographically descriptive, and even deceptively misdescriptive marks still could. As a result, primarily geographically deceptively misdescriptive marks were meant to be more difficult to register, not more difficult to reject. Thus, this author believes that the NAFTA amendments, however inartfully written, were intended to actually lower the bar for rejection, rather than raise the bar to the deceptiveness standard. To recognize this intent, the Federal Circuit could seek guidance from its previous decisions in *In re Wada* and *Save Venice*, and imply materiality under similar situations to those cases when a location is “known for” a particular good or the good is a “principal product” of that location.

