
NOT CONFUSED? DON'T BE TROUBLED:
MEETING THE FIRST AMENDMENT ATTACK ON
PROTECTION OF "GENERIC" FOREIGN
GEOGRAPHICAL INDICATIONS

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The United States of America and the European Community reached the Agreement on Trade in Wine late in 2005.¹ The Agreement reflects a compromise on an issue that had sharply divided the signatories for a number of years: namely, legal protection in the United States of certain foreign geographical indications (GIs).² Congress achieved the protection under U.S. law contemplated by the Agreement by passing section 422 of the Tax Reform and Health Care Act of 2006 (the "Act"), which limits the rights of U.S. producers to use certain foreign GIs on their wine labels.³

However, the agreement and the enabling legislation raise constitutional issues by limiting the speech of U.S. wine producers. Indeed, attacks from this angle began even before the Agreement was reached, and the Agreement itself is sensitive to these concerns.⁴ In particular, opponents argued that acceding to the demands of the European Union would result in a law that cannot pass constitutional muster under the First Amendment's commercial speech jurisprudence.⁵

Now that the law is in effect, it appears that these criticisms are misplaced. Borrowing from First Amendment commercial-speech jurisprudence and arguments surrounding anti-dilution statutes, this Note

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¹ Agreement between the United States of America and the European Community on Trade in Wine ("Agreement"), available at <http://www.ttb.gov/wine/wineagreement.pdf> (last visited Feb. 27, 2009).

² For a history of the disagreements leading to the Agreement's adoption, see *infra* Part I.A. GIs, which are explained in greater detail below, can be understood roughly as product names indicating the source of (mostly agricultural) goods.

³ Pub. L. No. 109-432, div. A, § 422(a), 120 Stat. 2922, 2972 (2006) (codified as amended at 26 U.S.C.A. § 5388(c) (2009)).

⁴ See *infra* Part II.A.

⁵ See *infra* Part II.A.

argues that the new law is a permissible restriction on purely commercial speech. This argument answers critics by pointing out that the restriction satisfies the requirements of *Central Hudson Gas & Electric Corp. v. Public Service Commission of New York*;⁶ specifically, there exist substantial, legitimate government interests that are furthered by this narrowly tailored restriction.

Further, although similarities between anti-dilution⁷ laws and the labeling restriction justify a similar jurisprudential approach, and although the law passes muster under the traditional commercial speech test, this Note argues that there are aspects of GI-protection law that work to make it even *less* constitutionally suspect than anti-dilution laws and other restrictions of commercial speech. Finally, the Note proposes a related but separate analysis under *San Francisco Arts & Athletics, Inc. v. United States Olympic Committee (Gay Olympics)*⁸ that recognizes a limited Congressional power to grant property-like rights in words under certain conditions, all of which are met by the protection of E.U. GIs.

Part I of this Note describes the uncertain place of GIs under U.S. law and the history of the GI dispute that led to the adoption of the Agreement. Part II.A describes the constitutional attack on protection for E.U. GIs that have become generic in the U.S.. Part II.B responds with two arguments that the Agreement and its enabling legislation do pass constitutional muster: that the constitutional analysis of commercial speech under *Central Hudson* in fact supports upholding the restrictions in section 422, and that GI protection is even less suspect than the restrictions imposed by dilution laws. Finally, Part III presents this Note's proposed analysis under the *Gay Olympics* case as an alternative to, or a more nuanced application of, the *Central Hudson* test.

I. BACKGROUND. THE E.U.-U.S. WINE AGREEMENT IN CONTEXT

A. *Geographic Indications and Their Significance*

The Agreement between the United States of America and the European Community on Trade in Wine (the "Agreement") is the latest in a series of international agreements aimed at the protection of GIs.⁹ To understand the scope of the speech restriction being imposed by the

⁶ 447 U.S. 557 (1980).

⁷ Anti-dilution laws protect certain "strong" trademark from even arguably non-misleading uses. These statutes are discussed in detail *infra* Part II.B.2.

⁸ 483 U.S. 522 (1987).

⁹ See Agreement, *supra* note 1.

Agreement and its enabling legislation on U.S. wine producers, it is first necessary to understand GIs and their place in U.S. law.¹⁰

A GI can be understood as a name that both identifies the geographic source of a (usually agricultural) product and indicates characteristics of that product.¹¹ Importantly, a GI may be used in advertising to tell the consumer certain features about the product, including where it was produced.¹² However, a GI often does more than simply indicate a geographic source; it might also tell you something about what the French call “terroir.”

Terroir has no direct English translation, but the idea is that there is a fundamental connection between the *where* and the *what*; that is, the qualities of the product come with the territory where it was produced.¹³ For instance, the name “Champagne” on a bottle indicates not only that the grapes were grown and the juice fermented in a certain region in Northwest France, but that the wine has, and should express, a certain terroir. Certain methods and techniques developed over the centuries contributed to every stage of the production. Soil and weather conditions unique to that region contributed to the product. The product bears the quality and prestige associated with Champagne.¹⁴

¹⁰ See Justin Hughes, *Champagne, Feta, and Bourbon: The Spirited Debate About Geographical Indications*, 58 HASTINGS L.J. 299 (2006); Irene Calboli, *Expanding the Protection of Geographical Indications of Origin Under TRIPs: “Old” Debate or “New” Opportunity?*, 10 MARQ. INTELL. PROP. L. REV. 181 (2006); Deborah J. Kemp & Lynn M. Forsythe, *Trademarks and Geographical Indications: A Case of California Champagne*, 10 CHAP. L. REV. 257 (2006); see also Michelle Agdomar, Note, *Removing the Greek from Feta and Adding Korbel to Champagne: The Paradox of Geographical Indications in International Law*, 18 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 541 (2008).

¹¹ Calboli, *supra* note 10, at 184 (“[T]he term GI has been used predominantly to define names that identify agricultural or other products as originating from the specific geographical regions in which these products are grown and manufactured, and from which they derive their qualities or reputation.”). Calboli maintains that the “link” between origin and quality is the sine qua non of a GI protectable under law. *Id.* at 184-85 (explaining World Intellectual Property Organization’s definition of GIs as “signs used on goods that have a specific geographical origin and possess qualities or a reputation that are due to that place of origin”).

¹² This is the most obvious function, but as noted by Calboli and others, it cannot be separated from the other informative function of making suggestions to the consumer about the quality or reputation of the product.

¹³ Hughes describes the concept as follows:

Appellation laws [as the paragon of a legally protected GI] are traditionally justified by the idea of terroir; that a particular land is a key input for a particular product. . . . [T]he idea is that the products qualities “come with the territory”. . . . [L]ocal producers are entitled to exclusive use of a product name because no one outside the locale can truly make the same product.

Hughes, *supra* note 10, at 301.

¹⁴ The notion of terroir, or what Hughes calls the “essential land/qualities nexus,” *id.* at 304, justifies legal protection for GIs by allowing local producers a basis to claim that any other use of the GI would be misleading; on the assumption that the product and place are somehow inseparable, calling something “champagne” that was not produced in Champagne, France, would be deceptive. Throughout this Note, it is argued that the rationale of avoiding consumer confusion is not the *only* reason available for protecting GIs.

GIs occupy an uncertain space in U.S. intellectual property law, although they are not altogether foreign.¹⁵ The protection provided through GIs abroad (most notably in France) is often achieved domestically through trademarks, to which GIs bear some resemblance.¹⁶ Both trademark and GIs function to identify the source of a product; likewise, both can take on secondary or evocative meanings and connotations.¹⁷ Still, there remain significant differences between paradigmatic GI protection and U.S. trademark protection.¹⁸

While there are deep theoretical differences in the legal systems that protect GIs, the trans-Atlantic debate over GIs has been driven primarily by certain commercially valuable European GIs, such as Parmesan or Champagne, that have been considered generic or semi-generic in the U.S., Canada, and Latin America.¹⁹ As long as these words remain considered generic in a jurisdiction, neither U.S.-style trademark protection nor *sui generis* GI protection will give exclusive use of these terms to the E.U. producers.²⁰

To change this situation, Europe has been vigorously seeking exclusive control of many of these terms, particularly wine names, through bilateral agreements with significant trading partners.²¹ The property-like protection sought would result in European agricultural producers being able to charge “monopoly rents” for their prestige

¹⁵ Indeed, since 1994, the U.S. has been obligated by the TRIPs agreement to provide national protection for GIs. The precise contours of this protection have been evolving since that time, with the Agreement on Trade in Wine, the subject of this Note, providing the latest development. See Calboli, *supra* note 10, at 182-83; see also Brian Rose, *No More Whining About Geographical Indications: Assessing the 2005 Agreement Between the United States and the European Community on the Trade in Wine*, 29 HOUS. J. INT'L L. 731 (2007).

¹⁶ Kemp and Forsythe provide this definition of trademark:

U.S. law defines trademark as “any word, name, symbol, or device, or any combination thereof . . . used . . . to identify and distinguish . . . goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.”

Kemp & Forsythe, *supra* note 10, at 262 (quoting 15 U.S.C. § 1127 (2006)). The relationship between domestic trademarks and GIs is explored extensively throughout the article.

¹⁷ *Id.* at 264-67.

¹⁸ *Id.* at 281-82 (citing 3 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 14:01, at 14-4 to 14-4 (4th ed. 2006)). Kemp and Forsythe summarize the differences succinctly:

Geographic indications have a tie with a locale or territory. Trademarks do not. [GIs] cannot be sold. Trademarks can be sold. [GIs] cannot be delocalized. If trademarks are linked to a territory, they can be delocalized. [GIs] can be used by any producer in the locality or region. Trademarks are exclusive individual rights.

Probably the most relevant difference is the inability for E.U. producers to obtain trademarks for their most valuable GIs due to the trademark doctrine of genericide. This issue is explored in depth below.

¹⁹ Calboli, *supra* note 10, at 182.

²⁰ It is axiomatic that a trademark in a generic word cannot be granted. See *infra* Part II.A.

²¹ The history of Agreements to this effect is explored in detail by Rose, *supra* note 15, at 742-59. See also Hughes, *supra* note 10, at 311-31; Calboli, *supra* note 10, at 187-94.

goods.²² That is, if only farmers from the region of Parma, Italy were allowed to call their cheese Parmesan or Parmigiano, consumers who have grown accustomed to using “Parmesan” cheese (say, from Kraft) will be led to purchase the Italian “genuine article” rather than the Kraft product, which would have to be rebranded.²³ The Italian producers would thus have a monopoly over the word and the (consumer-influencing) associations of quality and prestige it evokes. This monopoly would then allow the producers to charge more for their goods.²⁴

The windfall created by stronger GI protection (a sort of indirect agricultural subsidy paid by consumers abroad) is critical in E.U. politics, as the direct subsidies paid to some E.U. member’s farmers are likely to be reduced under pressure from other E.U. members.²⁵ Conversely, nations without such an interest in place indications, including many in the New World, have resisted stronger protection, reasoning that such protection would harm both domestic producers (whose products would become disfavored) and domestic consumers (who would initially be confused by the relabeling of familiar products and might ultimately be enticed to pay higher prices for E.U. products carrying the old, familiar names, regardless of quality).²⁶

B. *History of GI Protection*

The historical context in which the Agreement in Wine was passed is also crucial to understanding the government interests that underlie the Agreement and its enabling legislation.²⁷ The weight of these interests and the means necessary to achieve them factor heavily in a proper constitutional analysis under both the *Gay Olympics* case and *Central Hudson*.²⁸

Given the political and economic ramifications of international GI protection, prior agreements in this area shifted between stronger protection (with correspondingly fewer signatories) and weaker protection (with correspondingly more signatories).²⁹ The Paris

²² See Hughes, *supra* note 10, at 339-51 for the particulars of this argument.

²³ *Id.* at 351.

²⁴ *Id.*

²⁵ *Id.* at 342-47.

²⁶ *Id.* at 351.

²⁷ For the history of the GI disputes that led to the Agreement, see Rose, *supra* note 15, at 742-59; Hughes, *supra* note 10, at 311-31; Calboli, *supra* note 10, at 187-94; 2 MCCARTHY, *supra* note 18, § 14:19.

²⁸ See *infra* Parts II.B, III.

²⁹ Hughes, *supra* note 10, at 311-14 (discussing the Paris and Lisbon Agreements). The thought here is that few states have an interest in more rigorous protection, while many states are willing to agree to lesser restrictions that still further their objectives.

Convention for the Protection of Industrial Property represents a weaker GI protection that has correspondingly garnered wider support.³⁰ Originally entered in 1883 and revised numerous times since, the Paris Convention extends protection to GIs only insofar as it prohibits products “bearing a ‘direct or indirect use of false indication of the source of the goods.’”³¹ Although the Paris Convention has been widely adopted, it has not been effective in protecting GIs in the manner sought by the European Community.³² In addition, the agreement has been ineffective against imitative uses (such as “Champagne-style”).³³

Some of these concerns were addressed with the Lisbon Agreement on the Protection of Appellations of Origin and Their International Registration (1958). Pursuant to this agreement, the Lisbon signatories created a system of international registration, with criteria for registration determined according to the law of the member state.³⁴ Once a GI was registered, other member states were required by Article 3 to prevent “imitation or usurpation” of the GI, including even non-misleading uses, such as “Champagne-style.”³⁵ This protection extends even outside of product categories.³⁶ The price of this increased protection, however, has been that fewer nations have signed onto Lisbon. As of March 1, 2009, only 26 states have joined the Lisbon Agreement.³⁷

In 1994, a major agreement was struck under the auspices of the World Trade Organization (WTO) that, on its face, seemed to represent a victory for European interests. The Agreement on Trade Related Aspects of Intellectual Property Rights of 1994 (TRIPS), which is binding on all member of the WTO, affords some protection to geographic indications generally. This protection is particularly strong

³⁰ *Id.* at 311-12 (discussing Paris Convention); *see also* Calboli, *supra* note 10, at 187-88 (same). On the correspondence between weaker protection and more signatories, see Rose, *supra* note 15, at 747-48 (“This Convention achieved a large number of signatories, including the United States, due in part to an agenda that was limited in its protection of geographical indications.”).

³¹ Hughes, *supra* note 10, at 311 (quoting Paris Convention for the Protection of Industrial Property, opened for signature Mar. 20, 1883, 21 U.S.T. 1583, 828 U.N.T.S. 305 [hereinafter Paris Convention]).

³² Calboli, *supra* note 10, at 187 (citing Felix Addor & Alexandra Grazioli, *Geographic Indications beyond Wine and Spirits: A Roadmap for a Better Protection for Geographic Indications in the WTO/TRIPS Agreement*, 5 J. WORLD INTELL. PROP. 865, 876 (2002)).

³³ Hughes, *supra* note 10, 347-51 (discussing the relative strengths of protection sought by the European Community).

³⁴ *Id.* at 312-13 (discussing Lisbon Agreement).

³⁵ *Id.*

³⁶ *Id.* at 347-50. Hughes describes this “usurpation” standard (familiar in Europe from French AOC law) as even stronger than dilution law in U.S. trademark law. This point surfaces again. *See infra* Part II.B.2.

³⁷ *See* World Intellectual Property Organization, Treaties and Contracting Parties, http://www.wipo.int/treaties/en/statistics/StatsResults.jsp?treaty_id=10 (last visited March 5, 2009).

for geographic indications of wines and spirits.³⁸

The baseline protection for GIs is largely in conformity with U.S. trademark justifications, in particular avoiding consumer confusion.³⁹ However, greater protection is provided for GIs of wines and spirits. This increased protection is embodied in Article 23(2), which prohibits *any* use of a geographic indication on a wine or spirit not originating within that GI, without any reference to consumer confusion or unfair competition.⁴⁰

Despite the apparent European victory in achieving inclusion of Article 23, there remained a number of ways around its restrictions. TRIPs Article 24(6) provides that Articles 22 and 23 do not apply if “the relevant [GI] is identical with the term customary in common language as the common name for such goods or services in the territory of [the signatory].”⁴¹ Thus, while European wine GIs that have not become “common parlance” in the U.S. (e.g., Chinon) are provided protection against even non-misleading uses by producers in WTO member states pursuant to Article 23, a GI that has become common parlance (e.g., Champagne), is exempted from that protection by 24(6).⁴²

³⁸ Hughes, *supra* note 10, at 314-19 (discussing TRIPs); Calboli, *supra* note 10, at 189-94; Rose, *supra* note 15, 748-56. The TRIPs agreement has spawned a vast literature and substantial popular news coverage. The sources relied upon here will point the interested reader in the right direction.

³⁹ Agreement on Trade-Related Aspects of Intellectual Property Rights, art. 22, ¶ 2, Apr. 15, 1994, http://www.wto.org/english/docs_e/legal_e/27-trips_01_e.htm [hereinafter TRIPs]; *see also* Calboli, *supra* note 10, at 190-91; Hughes, *supra* note 10, at 314-17.

⁴⁰ TRIPs, *supra* note 39, art. 23, ¶ 2. Hughes points out that this is not as strong as the Lisbon agreement, or the original European TRIPs proposal:

The European Union’s original TRIPs proposal similarly provided that all GIs would be protected from “usurpation” by any product or commercial use— a standard drawn from French law and most easily understood by American lawyers as a dilution or “dilution plus” standard of protection for all GIs. In contrast, TRIPs Article 23(1) limits its confusion-less protection to uses within the wine or spirit product category (that is, it bars “a geographical indication identifying wines for wines not originating in the place indicated”).

Hughes, *supra* note 10, at 319. This limitation becomes important later. *See infra* Part II.B.2.

⁴¹ TRIPs, *supra* note 39, art. 24, ¶ 6. Note that this language does not include the word “generic,” although it may naturally be understood that way. Some have argued that by allowing producers to use the “semi-generic” terms listed in § 5388(c), the U.S. was in non-compliance with TRIPs, which allows exemptions to article 23 only when the terms at issue are truly generic. However, as noted, TRIPs article 24, paragraph 6 does not specify “generic,” and it was the ATF/TTB position that “semi-generic” was equivalent to the “common parlance” language employed therein.

⁴² Hughes, *supra* note 10, at 319. This exception might be thought to swallow the rule, since non-generic wine GIs like Chinon could arguably have been protected even under article 22; after all, a California wine label simply stating “Chinon” could plausibly cause consumer confusion. Nonetheless, article 23 retains some bite, insofar as it prevents a California winemaker from adding “-style” to Chinon in an attempt to avoid the “confusion” element of Article 22. The real problem with Article 24 is not that it renders Article 23 meaningless, but that it doesn’t reach some of Europe’s most prized GIs, including Champagne, Chablis, and others, which have

In later negotiations called for by TRIPs Articles 23 and 24, closing these “loopholes” became a major focus of the European delegation.⁴³ A controversial proposal of the E.U. in this respect was the so-called “claw-back” list of 41 GIs that had become (at least arguably) generic outside of Europe.⁴⁴ The proposal was, essentially, that these GIs become “re-propriety” to their places of origin and granted full TRIPs Article 23 protection, despite the fact that they had become generic elsewhere.⁴⁵ The further talks contemplated by TRIPs did indeed occur, but with limited success.⁴⁶

C. *The Agreement on Trade in Wine and Enabling Legislation*⁴⁷

The Agreement between the United States of America and the European Community on Trade in Wine was finally reached not as part of the WTO but as a bilateral agreement between the U.S. and European Community.⁴⁸ It provides that, in exchange for recognition of some U.S. wine GIs and winemaking techniques in the E.U. law, the U.S. would restrict the use of 17 “semi-generic” wine GIs by its citizens.⁴⁹ These 17 GIs represent only a portion of the 41 GIs included on the E.U.’s proposed “claw-back” list, as the Agreement only addresses the problem of protection of wine GIs, rather than GIs generally.⁵⁰

become generic in certain WTO member states.

⁴³ Calboli, *supra* note 10, at 197-203. Importantly, because the U.S. considered the highly valued GIs listed in § 5388(c) to be semi-generic, or common parlance under article 24, paragraph 6, these GIs did not receive TRIPs article 23 protection.

⁴⁴ Hughes, *supra* note 10, at 321-23.

⁴⁵ *Id.*

⁴⁶ For more on the disagreements at the Cancun and Doha rounds between Europe and the rest of the world, but especially the United States, see Calboli, *supra* note 10, at 194-97. A detailed analysis is also available via Hughes, *supra* note 10, nn. 119-38.

⁴⁷ For an extended analysis of the Agreement, see Rose, *supra* note 15.

⁴⁸ *Id.* at 759-64. The authority by which the Agreement was entered is unclear. Importantly, it is not a treaty in the constitutional sense. This becomes relevant *infra* Parts II-III.

⁴⁹ Agreement, *supra* note 1, article 6, paragraph 1 provides that:

With respect to wine that is sold in the territory of the United States, the United States shall seek to change the legal status of the terms in Annex II to restrict the use of the terms on wine labels solely to wine originating in the Community. Labels for such wines may use the terms in Annex II in a manner consistent with the US wine labeling regulations in force as of 14 September 2005.

See also Agreement, *supra* note 1, Annex II. These GIs are: Burgundy, Chablis, Champagne, Chianti, Claret, Haut Sauterne, Hock, Madeira, Malaga, Marsala, Moselle, Port, Retsina, Rhine, Sauterne, Sherry and Tokay.

⁵⁰ Hughes, *supra* note 10, at 323 (citing Press Release, European Comm’n, WTO Talks: EU Steps up Bid for Better Protection for Regional Quality Products (Aug. 28, 2003), available at <http://www.fas.usda.gov/gainfiles/200308/145985850.doc>). The 17 names represent the majority of the 22 wine and spirit names on the list; the exclusion of at least Cognac, Grappa and Ouzo can be explained on the ground that the Agreement is limited to trade in wine (defined as having no more than 22% abv). Only two wine names from the list, Medoc and Liebfrau(en)milch, were not

To fulfill the U.S. obligation to “seek to change the legal status” of the 17 GIs, Congress passed section 422 of the Tax Reform and Health Care Act of 2006.⁵¹ Before the passage of section 422, use of so-called “semi-generic” GIs (such as Chianti and Burgundy) on wine labels was allowed, although restricted in a number of ways.⁵² Section 422 makes it more difficult to use such a name by requiring that, before a Certificate of Label Approval (COLA) may be issued for a wine label using any of the 17 terms, three conditions must be met: (1) the term must have been in use prior to the effective date of the Agreement; (2) any continuing use must be by the possessor of the prior COLA or his successor in interest; and (3) the use of the GI must be in connection with the same brand or fanciful name with which it had previously been used.⁵³ The effect of these restrictions is to allow all producers who had used the terms before to keep using them, so long as they are used in the same way; by allowing a user’s successor in interest to continue the use, the law avoids depriving the continuing user of the value of his use.⁵⁴ Any new uses in the future are effectively prohibited, as a producer seeking to label his wine with these terms will not be issued a COLA.⁵⁵

One notable feature of the Agreement is that it does not protect the 17 GIs *qua* GIs; Article 12 specifies that the Agreement does not create intellectual property rights or recognize the existence in either party’s law of the other party’s GIs.⁵⁶ Rather, as to the GIs, the Agreement self-limits to wine labeling. In exchange for the protection provided to

included in the Agreement. This point bears emphasis, as many of the constitutional challenges leveled at the claw-back list perhaps did not anticipate the extent to which future agreements might be more limited than the full protection for the entire list. This point will be revisited.

⁵¹ Pub. L. No. 109-432, div. A, § 422(a), 120 Stat. 2922, 2972 (2006) (codified as amended at 26 U.S.C. § 5388(c) (2006)). For a concise explanation of the impact of the legislation, see JOINT COMM. ON TAXATION, U.S. CONGRESS, TECHNICAL EXPLANATION OF H.R. 6408, THE “TAX RELIEF AND HEALTH CARE ACT OF 2006,” AS INTRODUCED IN THE HOUSE ON DECEMBER 7, 2006, at 112-13, *available at* <http://www.senate.gov/~finance/press/Gpress/2005/prg121206.pdf>.

⁵² These restrictions themselves were created in response to European pressure. For a more detailed explanation, see Rose, *supra* note 15, at 745-47.

⁵³ 28 U.S.C. § 5388(c)(3)(B)(iii) (making a condition of right to use semi-generic issuance of COLA prior to March 10, 2006).

⁵⁴ *Id.*

⁵⁵ Section 5388(c)’s grandfathering provision (protecting prior uses) was explicitly contemplated by the Agreement itself. Article 6, paragraph 2 of the Agreement provides the restriction, “. . . shall not apply with respect to any person or its successor in interest using a term listed in Annex II on a label of a wine not originating in the Community, where such use has occurred in the United States before [March 13, 2006].”

⁵⁶ Agreement, *supra* note 1, article 12, paragraph 4 stipulates that:

Article 6 and 7 shall not be construed . . . as defining intellectual property or as obligating the Parties to . . . recognize . . . intellectual property rights. Consequently, the names listed in Annex IV are not considered . . . geographical indications under U.S. law, and the names listed in Annex V are not necessarily considered . . . geographical indications under Community law. Furthermore, the terms listed in Annex II are neither considered . . . geographical indications of the Community under U.S. law.

the 17 E.U. GIs by section 422, the European Community agreed to recognize more than 160 U.S. wine-producing regions, but not as GIs, which receive very strong protection under E.U. law.⁵⁷ More importantly, however, the E.U. also agreed to recognize a number of U.S. winemaking techniques.⁵⁸ This removes a major barrier to the importation of U.S. wine that has been treated in ways allowable here but not abroad and should increase even further the U.S. presence in the E.U. wine market.⁵⁹

II. ANALYSIS

A. *Constitutional Challenge*⁶⁰

The issue of free speech, particularly with respect to the obligations imposed by Article 6, paragraph 1, was not lost on the signatories.⁶¹ Many critics of the E.U. “claw-back” proposal noted the impossibility of granting trademark protection to generic terms under U.S. law, arguing that a major justification for trademark restrictions on speech (namely preventing consumer confusion) is not present with generic terms.⁶² The confusion rationale for trademarks, however, can be seen as an example of the First Amendment principle that commercial speech may always be restricted if it is misleading.⁶³ In

⁵⁷ Rather, the E.U. agreed to protect the 160 U.S. viticultural areas by limiting the use of those areas’ names to wines produced in those areas. Thus, only a wine from Stag’s Leap district can bear the name Stag’s Leap on its label, but a sportswear shop in London may be called Stag’s Leap. If Stag’s Leap were recognized as a GI under E.U. law, the sportswear shop, despite the impossibility of confusion vis-à-vis source, would be in violation of the California GI.

⁵⁸ Rose, *supra* note 15, at 759-65 (describing in detail the ramifications of the Agreement on Trade in Wine.)

⁵⁹ *Id.*

⁶⁰ See generally Panel II: *That’s a Fine Chablis You’re Not Drinking: The Proper Place for Geographical Indication in Trademark Law*, 17 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 933 (2007) [hereinafter *Chablis*] (discussing the issue of TRIPs negotiations and national implementation several months after the Agreement had been reached); Rose, *supra* note 15, at 759-69 (providing detailed analysis of the Agreement, section 422, and collecting popular media response).

⁶¹ Agreement, *supra* note 1, article 12, paragraph 3 states that “[t]his Agreement is without prejudice to the rights of free speech in the United States under the First Amendment to the Constitution and in the Community.”

⁶² For summaries of the reactions, see Kemp & Forsythe, *supra* note 10, at 280-81. For an extended attack on the claw-back proposal, see Harry Niska, Note, *The European Union Trips over the U.S. Constitution: Can the First Amendment Save the Bologna That Has a First Name?* 13 MINN. J. GLOBAL TRADE 413 (2004). See also David Snyder, Note, *Enhanced Protections for Geographical Indications Under TRIPs: Potential Conflicts Under the U.S. Constitutional and Statutory Regimes*, 18 FORDHAM INTELL. PROP. MED. & ENT. L.J. 1297, 1314-16 (2008) (questioning constitutionality of claw-back proposal in some circumstances).

⁶³ *Illinois ex rel. Madigan v. Telemarketing Assocs., Inc.*, 538 U.S. 600, 612 (2003) (“[T]he First Amendment does not shield fraud.” (citing *Donaldson v. Read Magazine, Inc.*, 333 U.S.

light of the Court's move toward greater protection for commercial speech, some critics have wondered whether speech restrictions on non-misleading commercial speech constitute an unconstitutional infringement of free speech; the argument against section 422's constitutionality thus tracks the arguments made in analogous areas where non-misleading commercial speech is restricted.⁶⁴

The argument begins by justifying trademark speech restrictions generally. It then notes the effect of genericity on these justifications. Finally, the argument concludes by positing a constitutional foundation to the requirement that only misleading speech can be restricted by trademark law.⁶⁵

1. Justifying Trademarks

The justifications for restricting speech through trademarks are usually stated as follows.⁶⁶ First, by vesting trademark rights in producers, consumers are aided by reduced costs in searching for and

178, 190 (1948)). The connection between the trademark and constitutional rationales has been explored repeatedly. See, e.g., Eugene Volokh, *Freedom of Speech and Intellectual Property: Some Thoughts after Eldred*, 44 *Liquormart*, and Bartnicki, 40 *HOUS. L. REV.* 697 (2003).

⁶⁴ Due to the Agreement's relative youth and inconspicuous enactment, I have constructed the argument against section 422's constitutionality from a number of sources, many of which do not speak to the Agreement itself. For instance, the argument may be seen as a specific instance of the general argument against restricting non-misleading speech. See, e.g., Volokh, *supra* note 63, at 732-39 (arguing that restrictions on non-misleading commercial speech ought to be held unconstitutional in the context of dilution statutes); Ann Bartow, *Likelihood of Confusion*, 41 *SAN DIEGO L. REV.* 721 (2004) (arguing that trademark protection that is unsupported by a real likelihood of confusion dissuades or chills constitutionally protected speech). Some commentators recognizing the applicability of these arguments specifically to compliance with the claw-back proposal include Niska, *supra* note 62, at 429-41 (arguing that claw-back compliance would violate the First Amendment), and Professor Kenneth Plevan, who comments:

I still question very much whether in today's climate the Supreme Court would find that Congress has a proper governmental interest in protecting wine growers in foreign countries I think it would be very difficult for the Court to uphold such legislation under the weight of a serious First Amendment challenge.

Chablis, *supra* note 60, at 951.

⁶⁵ Perhaps the strongest argument against section 422 is that the whole commercial speech jurisprudence should be reconsidered and repudiated; that is, commercial speech restrictions should receive the same (strict) scrutiny as other speech restrictions. As noted *infra* notes 92-93 and 100, this argument seems to be gaining some support on the court. Once section 422 is subjected to strict scrutiny, it is hard to see how it would survive.

However compelling the argument against distinguishing between commercial and non-commercial speech may be, section 422 hardly seems like the case to provide the ground for overruling *Central Hudson*. Further, because the argument against section 422 has already been made under the existing law, including the intermediate scrutiny standard, and because in any event the case is closer under the law as it stands, this argument will not be pursued any further herein.

⁶⁶ For an oft-cited and influential treatment, see William M. Landes & Richard A. Posner, *Trademark Law: An Economic Perspective*, 30 *J.L. & ECON.* 265 (1987).

identifying products the consumer has come to like.⁶⁷ Further, strong trademark protection will prevent a consumer from becoming “confused” by a deceptive mark.⁶⁸ The second prong of the justification is to protect those who invest in building brands and to encourage such investment.⁶⁹ If a brand establishes a high degree of quality and thrives because of it, it is desirable to prevent others from co-opting that brand’s mark to gain market share.⁷⁰

2. Genericity⁷¹

It is axiomatic that trademark law does not protect use of generic words or terms.⁷² Genericide describes the state of affairs when a mark has lost its “uniqueness” and becomes a general signifier of a broad type of product or service.⁷³ Famous cases of genericide include Kleenex, “shredded wheat”⁷⁴ and Aspirin.⁷⁵ In all of these cases, courts found that, within the relevant community, the word no longer identified a unique source. As a result, the mark had been extinguished, and the

⁶⁷ *Id.* at 269 (“[A] trademark conveys information that allows the consumer to say to himself, ‘I need not investigate the attributes of the brand I am about to purchase because the trademark is a shorthand way of telling me that the attributes are the same as that of the brand I enjoyed earlier.’”).

⁶⁸ *Id.* (“To perform its economizing function a trademark or brand name . . . must not be duplicated.”). This is because a duplicated or confusingly similar trademark would not serve the essential function of identifying source and evoking past positive experiences. *But see* Bartow, *supra* note 64, at 729-38 (acknowledging “confusion” rationale but arguing that it is applied far too expansively).

⁶⁹ Landes & Posner, *supra* note 66, at 270. Their argument runs as follows:

The value of a trademark is the saving in search costs made possible by the information or reputation that the trademark conveys or embodies about the brand Creating such a reputation requires expenditures on product quality, service, advertising, and so on. Once the reputation is created, the firm will obtain greater profits because repeat purchases and word-of-mouth references will generate higher sales and because consumers will be willing to pay higher prices for lower search costs and greater assurance of consistent quality.

Id.

⁷⁰ *Id.* In fact, a brand’s ability to establish such a positive reputation in the first place presupposes legal protection for marks. As noted above, it is the protection that provides both the incentive and the opportunity to build a brand name.

⁷¹ The focus here is on the doctrine of genericity and its relationship to both trademark law and the First Amendment. Thus, the use of genericity as a defense to a trademark infringement action, or in other procedural contexts, will not be addressed, especially as it is conceded for the sake of the arguments *infra* that the GIs at issue are generic in the U.S.

⁷² 2 MCCARTHY, *supra* note 18, § 12:01.

⁷³ Deven R. Desai & Sandra L. Rierson, *Confronting The Genericism Conundrum*, 28 CARDOZO L. REV. 1789, 1790 (2007). (“We use the term ‘genericism’ to [designate] the . . . doctrine applied by courts to determine whether a word . . . should be deemed ‘generic’ and hence incapable of functioning as a trademark. Genericide . . . refers to the process by which a mark that was once . . . unquestionably protectable loses all trademark status and value.”).

⁷⁴ *Kellogg Co. v. Nat’l Biscuit Co.*, 305 U.S. 111 (1938).

⁷⁵ *Bayer Co. v. United Drug Co.*, 272 F. 505 (S.D.N.Y. 1921).

original mark-holder's exclusive use could not be protected by law.⁷⁶

The law's refusal to protect words or terms that have become generic is readily explicable in light of the justifications for trademark protection.⁷⁷ In particular, use of a generic (or purely descriptive) word by a non-mark-holder is unlikely to cause any consumer confusion.⁷⁸ Indeed, when a word has become purely generic, it will no longer serve any of the trademark economizing functions noted above.⁷⁹ While it is true that continuing to protect a word or term that has become generic would incentivize the building of quality brands (insofar as it would create a monopoly on a common product name for a single producer), this alone has not been considered a sufficient reason for preventing the competing use.⁸⁰

3. The Constitutional Status of the Consumer-Confusion Rationale⁸¹

The justifications for speech restrictions via trademark law can be explained in at least two ways. First, the confusion and quality incentive rationales can be understood strictly economically.⁸² The reason we limit protection only to non-generic words or terms is that it saves consumers the time and energy it would take to re-educate themselves in response to rebranding.⁸³ On this understanding, it appears that Congress could constitutionally extend trademark protection even to non-misleading words; after all, efficiency is not a constitutional imperative.⁸⁴

⁷⁶ See *id.* at 509 ("So here the question is whether the buyers merely understood that the word 'Aspirin' meant this kind of drug, or whether it meant that and more than that; i.e., that it came from the same single, though, if one please anonymous, source from which they had got it before."); *id.* at 510-11 (answering former question in favor of genericity, at least for the consuming public at large).

⁷⁷ See, e.g., Desai & Rierson, *supra* note 73, at 1809-10.

⁷⁸ *Id.*

⁷⁹ *Id.*

⁸⁰ Landes & Posner, *supra* note 66, at 291-92 (noting that "[g]eneric words cannot be trademarked at all," and explaining that "[i]f the producer of one brand could appropriate the name of the product, he would earn rents because of the added cost to his rivals of periphrasis [i.e. using circumlocutions to describe their products]").

⁸¹ For an influential early treatment, see Robert C. Denicola, *Trademarks as Speech: Constitutional Implications of the Emerging Rationales for the Protection of the Trade Symbols*, 1982 WIS. L. REV. 158 (1982). See also *Bayer*, 272 F. at 510 ("[W]e [must] remember that [trademark] relief *always* depends upon the idea that no man shall be allowed to mislead people [as to source], and that there can be no right or remedy until the plaintiff can show that . . . this will result." (citing *Hanover Milling Co. v. Metcalf*, 240 U.S. 403 (1916)) (emphasis added)).

⁸² See, e.g., Landes & Posner, *supra* note 66, at 300-09 (discussing the confusion rationale purely in terms of efficiency).

⁸³ See *id.* at 270.

⁸⁴ Given the existence of dilution statutes, it appears clear that this understanding of the confusion rationale has won the day. Nonetheless, many argue that dilution laws are unconstitutional just because they lack the confusion rationale. See *infra* Part B.2 and articles

On the other hand, the requirement that any legal protection for a mark be conditioned on the possibility of consumer confusion can also be seen as a way of ensuring that IP protections do not run afoul of the First Amendment.⁸⁵ Trademarks (and the use of GIs at stake under the Agreement in Wine) often impose government restrictions on “commercial speech,” and, as such, must be justified in light of the First Amendment.⁸⁶ Under the Court’s commercial speech jurisprudence, the government can restrict commercial speech only when certain conditions are met.⁸⁷ One axiom under this doctrine is that *misleading* commercial speech can never claim First Amendment protection, as the Constitution has not been construed to permit commercial fraud.⁸⁸

Thus, the consumer-confusion rationale can be understood as a means of keeping trademark protection in line with the First Amendment.⁸⁹ As soon as trademarks start restricting non-confusing speech, constitutional warning bells begin to go off.⁹⁰ Restrictions on the use of generic terms would be just such a case, since by hypothesis a generic word does not cause confusion. The crucial question then is the extent to which this confusion-based rationale is constitutionally mandated, and, if so, in what spheres.⁹¹

4. *Central Hudson*

a. The Test

Although some critics argue that the confusion rationale should be, as a normative matter, present even in the commercial-speech context,⁹²

cited therein.

⁸⁵ *Chablis*, *supra* note 60, at 949 (panelist discussing trademark law’s requirement of “deceptive or misleading speech” and claiming that this requirement “keeps trademark law away from First Amendment problems”); *Mattel, Inc. v. M.C.A. Records, Inc.*, 296 F.3d 894, 905 (9th Cir. 2002) (“This consumer protection rationale—averting what is essentially a fraud on the consuming public—is wholly consistent with the theory of the First Amendment, which does not protect commercial fraud.”).

⁸⁶ Volokh, *supra* note 63, at 698; Denicola, *supra* note 81, at 158-59.

⁸⁷ See *infra* discussion of *Central Hudson*.

⁸⁸ As the Supreme Court has said, “[T]he State may ban commercial expression that is fraudulent or deceptive without further justification.” *Edenfield v. Fane*, 507 U.S. 761, 769 (1993).

⁸⁹ See *supra* note 85 and accompanying text.

⁹⁰ This phenomenon can be observed in the hue and cry raised over dilution statutes, which are similarly unmoored from the confusion rationale. For discussion, see *infra* Part II.B.2.

⁹¹ That is, consumer confusion has long been recognized as a *sufficient* condition for government regulation of speech; the question is whether it is also a *necessary* condition.

⁹² See, e.g., Volokh, *supra* note 63, at 738. Criticisms of the *Central Hudson* jurisprudence are becoming increasingly frequent, with Justice Thomas often leading the charge. See, e.g., 44 *Liquormart, Inc. v. Rhode Island*, 517 U.S. 484, 518-20 (1996) (Thomas, J., concurring); *Lorillard Tobacco Co. v. Reilly*, 533 U.S. 525, 572 (2001) (Thomas, J., concurring); *Thompson v.*

the Supreme Court's jurisprudence following *Central Hudson* has established that the lack of consumer confusion is not fatal.⁹³

In *Central Hudson*, the city of New York had prohibited utility providers from advertising their services, in an attempt to lessen energy demand during the oil crisis of the late 1970's.⁹⁴ Central Hudson Gas & Electric challenged this regulation under the First and Fourteenth Amendments.⁹⁵ Although the regulation was ultimately held to exceed the government's authority to regulate speech, the Court did acknowledge that "[t]he Constitution . . . accords a lesser protection to commercial speech than to other constitutionally guaranteed expression."⁹⁶ The Court went on to establish a test for the constitutionality of commercial speech restrictions that has remained more or less the standard.⁹⁷

After discussing why commercial speech is subject to more regulation than non-commercial speech (and noting in particular the government's power to ban misleading speech altogether),⁹⁸ the Court addressed the more controversial power to prohibit non-misleading commercial speech.⁹⁹ Lawful, non-misleading speech may be restrained where the government interest is substantial, the regulation directly advances the interest asserted, and the means are no more restrictive than necessary to serve the interest.¹⁰⁰

Acknowledging that *Central Hudson* is still good law and that, at present, the confusion-based rationale is not constitutionally mandated in the area of purely commercial speech, it remains possible to argue that the Agreement fails even this intermediate scrutiny.¹⁰¹

W. States Med. Ctr., 535 U.S. 357, 377 (2002) (Thomas, J., concurring).

⁹³ Critics of the commercial speech jurisprudence wonder whether the proffered justifications for treating commercial speech differently really make sense. The principal distinction raised is that commercial speech, which merely proposes transactions, is not as important as expressive, political or religious speech. Further, in the commercial context, fraud on consumers is a greater risk. Whether or not one finds these distinctions compelling, it is taken for granted here that 1) restrictions on commercial speech are subjected to less scrutiny than restrictions on other kinds of speech, and 2) that wine labeling constitutes commercial speech. The viability of section 422 under a strict-scrutiny analysis is an interesting topic, one that will ripen if the court repudiates *Central Hudson* and its progeny.

⁹⁴ Cent. Hudson Gas & Elec. Corp. v. Pub. Svc. Comm'n of N.Y., 447 U.S. 557, 558-59 (1980).

⁹⁵ *Id.* at 560.

⁹⁶ *Id.* at 562-63.

⁹⁷ As noted, some question how much life *Central Hudson* has left. See *supra* note 92.

⁹⁸ *Central Hudson*, 447 U.S. at 563 ("The government may ban forms of communication more likely to deceive the public than to inform it . . ." (citing *Friedman v. Rogers*, 440 U.S. 1, 13 (1979))).

⁹⁹ *Id.* at 564-66.

¹⁰⁰ *Id.* at 566. As noted above, this test has undergone some changes, in particular towards providing full First Amendment protection even to commercial speech. This would be achieved by subjecting commercial speech restrictions to strict scrutiny.

¹⁰¹ This is the tack taken by Niska, *supra* note 62, at 429-41.

b. The Test Applied to the Agreement on Wine

Critics of the claw-back list consistently emphasized the impossibility of granting protection to generic terms, or stripping Americans of the right to use a completely generic term in their commercial speech. Put in its constitutional dimension, this amounts to an argument that affording the protection sought by the E.U. would violate free speech rights in the U.S.¹⁰²

To attack section 422 under *Central Hudson*, it is necessary to argue that the government interests at stake in such a speech restriction are not sufficiently weighty, or that, even if they are, the means employed do not substantially further those interests, or that more narrow means are available.¹⁰³ It should be noted that reaching the *Central Hudson* analysis involves the uncontroversial premise that section 422 restricts only purely commercial speech,¹⁰⁴ and the potentially controversial premise that use of these E.U. GIs in wine labeling constitutes “lawful and non-misleading” speech.¹⁰⁵

As to the “government interest” prong, at least four may be identified: (1) the interest in preventing consumer confusion as to origin;¹⁰⁶ (2) the interest in complying with international agreements which we have duly entered;¹⁰⁷ (3) the interest in providing U.S. wine producers with greater access to the E.U. market; and (4) a possible interest in promoting stability in European agriculture, to the degree that it impacts global economic and environmental stability.¹⁰⁸

However, the strength of these interests as bases for restrictions on

¹⁰² One extended challenge against the E.U. proposals, which argues that any complying legislation on the part of the U.S. would violate the First Amendment, is available in Niska, *supra* note 62. See also Snyder, *supra* note 62, at 1314-16.

¹⁰³ Niska, *supra* note 62, at 430-39; Snyder, *supra* note 62, at 1314-16.

¹⁰⁴ Purely commercial speech is, “expression related solely to the economic interests of the speaker and its audience.” *Central Hudson*, 447 U.S. at 561. As envisaged by critics, and as enacted, section 422 merely prevents the use of the 17 GIs on wine labels. Such a use is undoubtedly commercial.

¹⁰⁵ See argument *infra* note 118.

¹⁰⁶ This is the justification that was suggested, at least publicly, by the E.U. itself. See Hughes, *supra* note 10, at 352-85 (exploring European justifications for strong GI protection generally). As argued later, whatever merit the confusion-avoidance argument has must be ignored for the purposes of applying *Central Hudson*; if we grant that the speech is misleading, we’re not under *Central Hudson* at all, because Congress may always restrict misleading speech. See *supra* note 88 and accompanying text.

¹⁰⁷ TRIPs articles 23 and 24, discussed *supra*, require the signatories to continue negotiating future agreements on GI protection. See Rose, *supra* note 15, at 764-65. This interest is also cited by Niska, *supra* note 62, at 435-37.

¹⁰⁸ Some commentators posit this as the sole (or at least major) political motive for any complying legislation. *Chablis*, *supra* note 60, at 951 (characterizing as the sole interest motivating claw-back compliance “protecting wine growers in foreign countries”). An analysis of its status as a constitutional and substantial governmental interest is provided below.

speech is a matter of some debate. While granting that (1) would provide a substantial government interest, the GIs at issue are generic terms and hence by definition do not cause confusion.¹⁰⁹ Moreover, even granting that they might cause some confusion, a complete ban on use “is far from a narrowly tailored solution.”¹¹⁰ The interest in (2) complying with international agreements runs into problems with the extra-constitutionality doctrine that was at least partially repudiated in *Reid v. Covert*;¹¹¹ that is, the government may not circumvent the Constitution by entering a treaty requiring it to do so.¹¹² The interest in (3) benefiting U.S. wine producers, to the extent that it is a substantial government interest in the first place, may not be significantly furthered by restricting the speech of those producers. That is, other less restrictive means of providing this kind of benefit must be available. The interest in (4) promoting stability in the E.U. agriculture market, to the extent that it amounts to providing economic benefits to European farmers, is at worst an illegitimate attempt to curtail speech in order to favor a political constituency.¹¹³ At best, the government could express its interest as rewarding those who put the investment into building a brand, though in this case those rewarded are not U.S. citizens at all.¹¹⁴ However, even granting the legitimacy and substance of such an interest, many question whether the GI protection contemplated is even rationally related to that interest.¹¹⁵

Thus, even leaving aside the more ambitious argument that non-misleading commercial speech should receive full constitutional protection, section 422 may be seen as impermissible even under *Central Hudson*'s intermediate scrutiny.

¹⁰⁹ See discussion of genericity, *supra* notes 71-80 and accompanying text.

¹¹⁰ Niska, *supra* note 62, at 432-33.

¹¹¹ 354 U.S. 1 (1957).

¹¹² *Id.* at 16 (plurality opinion). This point is, of course, over-simplified. Because the Agreement in Wine is not a “treaty” in the formal sense, it is not clear that *Reid* controls the analysis. Further, Reid may not come out as firmly against an expansive Treaty Clause power as is sometimes suggested. See Graeme Dinwoodie, *Copyright Lawmaking Authority: An (Inter)Nationalist Perspective on the Treaty Clause*, 30 COLUM. J.L. & ARTS 355 (2007). These points are addressed in greater depth below. See *infra* notes 216-22 and accompanying text.

¹¹³ Niska, *supra* note 62, at 433-34 (“[T]he government can never assert an interest in censoring certain speech simply because a particular group, in this case European farmers, has a problem with the content of that speech.”).

¹¹⁴ *Id.* at 434-35.

¹¹⁵ *Id.* at 422 (“[T]he benefits to European farmers [of regaining the claw-back GIs] are not guaranteed to materialize. When Australian winemakers agreed not to use French region names in 1994, the plan backfired on the EU, with Australia gaining market position.” (citing *Protecting Names*, ECONOMIST, Aug. 2, 2003, at 49)).

B. *Argument in Favor of Section 422's Constitutionality*

These criticisms, directed generally at all restrictions on non-misleading commercial speech, and more specifically at the claw-back list and other enhanced trademark protection, are not compelling from a constitutional perspective. First, these commentators spoke to the entire claw-back list before the Agreement in Wine was actually reached; therefore, they did not have the full picture to which to apply the *Central Hudson* analysis.¹¹⁶ However, the critique goes wrong in a more fundamental way when it fails to recognize the nature of the Congressional power at stake: the power to grant exclusive, property-like rights in words to individuals under certain circumstances, a power recognized in the *Gay Olympics* case.¹¹⁷ Section 422 is a valid exercise of this power. Further, a proper *Central Hudson* analysis does not seriously threaten this law, once the nature of the government interests at stake are properly considered, and the limitations on the means fully acknowledged.

1. *Central Hudson* is Satisfied

Contrary to the prognostications of critics, section 422 provides a constitutional restriction on commercial speech. The argument to the contrary misidentifies the relevant government interests or, when they are properly identified, mischaracterizes their import. The argument against section 422 also fails to take sufficient account of the ways in which the law is narrowly tailored to further those interests. Indeed, the government interests adduced by the critics themselves are sufficient to uphold section 422's restrictions on speech.

a. The Interest in Preventing Consumer Confusion

It is essential to the argument against section 422 that the speech be characterized as non-misleading. Indeed, granting that the speech is

¹¹⁶ This applies especially to Niska, writing specifically on claw-back compliance, but before the Agreement in Wine was finalized. Snyder, writing after the implementation of the Wine Agreement, still maintains that the claw-back proposal would violate the First Amendment in some instances. However, he distinguishes the Wine Agreement from the claw-back list and argues that the Wine Agreement as implemented does not violate the First Amendment. Snyder, *supra* note 62, at 1317-19. However, as will be seen *infra*, his argument in favor of the Wine Agreement's constitutionality may rely too much on certain disclaimers in the Agreement, and the consent of the U.S. producers to the pact.

¹¹⁷ See *infra* Part III.

misleading takes it out of *Central Hudson* altogether, as misleading speech may always be regulated.¹¹⁸ Thus, to argue that the government does not have a weighty interest in regulating non-misleading speech simply restates the premise of applying *Central Hudson* in the first place.¹¹⁹

b. The Interest in “Benefiting Farmers”¹²⁰

Some critics of increased GI protection have expressed skepticism about the weight of this interest.¹²¹ It has been acknowledged by many to be the primary motive behind the E.U.’s push for the claw-back list;¹²² however, there has been less analysis of what interest the U.S. itself might have in protecting European (and American) agricultural producers. Further, while many have questioned the wisdom of pursuing this interest as a matter of policy, perhaps insufficient attention has been paid to the strictly constitutional question as to whether, wise or not, this interest is “substantial.”¹²³

First, many mistakenly pair the interest of directly benefiting the Champenoise and other European wine producers with that of indirectly benefiting the U.S. producers from regions whose GIs will be protected in return and whose wines will gain greater access to the E.U. market as

¹¹⁸ *Cent. Hudson Gas & Elec. Corp. v. Pub. Svc. Comm’n of N.Y.*, 447 U.S. 557, 563-64 (1980). There is at least a plausible argument that such speech is misleading, at least when it counts. That is, a consumer for whom Champagne is completely generic and non-misleading simply does not care how the wine is designated; champagne just means “bubbly wine from wherever.” For such a consumer, U.S. producers can use synonyms equally effectively; that is, they derive no special benefit from being allowed to use Champagne. To different consumers, who are aware that Champagne also designates a specific region in Northern France that has traditionally produced a sparkling wine with certain characteristics, the presence of “Champagne” on a bottle of sparkling wine could indeed be misleading. So, it appears that U.S. producers may only reap the benefit of their speech in cases where the speech misleads. Nonetheless, for the purposes of this argument, it is conceded that uses of the 17 GIs are typically non-misleading.

¹¹⁹ To be fair to claw-back critics, this example of begging the question appears specifically in Niska, *supra* note 62, at 432. Snyder, on the other hand, seems to suggest that the possibility of restricting non-misleading speech is alone sufficient to violate the First Amendment under *Central Hudson*. Snyder, *supra* note 62, at 1315 (“[G]overnment regulation of [GI] usage under the 2005 [claw-back] Proposal may sometimes restrict commercial speech that is not necessarily misleading. Such regulation would not pass muster under the *Central Hudson* test . . .”). On the contrary, the fact that the speech is not misleading is the beginning, not the end, of the *Central Hudson* inquiry.

¹²⁰ “Benefiting farmers” is the language adopted by some critics of the GI regulations and their impact on speech rights. Niska, *supra* note 62, at 430-34. As will be seen, this interest needs to be more carefully parsed in order to reveal its legitimacy and substance.

¹²¹ See quotation from Plevan in *Chablis*, *supra* note 60, at 951.

¹²² See *supra* note 108.

¹²³ As will be seen, to the extent that this interest is the same as the one adduced in favor of allowing the ASA to give the USOC an exclusive right to use the word “Olympic,” this interest received the constitutional analysis sought in the *Gay Olympics* case. See *infra* Part III.

a result of the Agreement.¹²⁴ These are separate interests that require separate treatment. The first, directly benefiting certain European wine producers, rests on a justification common to trademark law: creating incentives for producers to create and maintain quality brands.¹²⁵

When a name, whether a trademark or a GI, takes on connotations of quality and prestige separate from the source-identifying function of the name or mark, those connotations represent what has been dubbed “surplus value.”¹²⁶ When such a mark or name has lost its source-identifying function (as we have conceded in the case of the 17 GIs), other producers may seek to use the term in marketing their own product, arguing that the name or mark is “generic.”¹²⁷ In effect, those producers are seeking to claim the surplus value (connotations and associations of quality) for themselves by identifying their own products with the prior use of the term.¹²⁸ In cases where a later user is attempting to “free ride” off the value created by the initial brand-building user, it seems that legal protection for the mark may still be warranted to incentive building quality brands.¹²⁹ It is a legitimate (at times, substantial) interest to promote a policy favoring those whose efforts created the surplus value in the first place.¹³⁰ Understanding the rationale behind the oft-repeated “brand building” justification is essential to a fair presentation of the government’s case for restrictions.¹³¹

¹²⁴ See, e.g., Niska, *supra* note 62, at 433-35.

¹²⁵ This justification for trademark restrictions on speech is usually paired with the interest in avoiding consumer confusion. See *infra* Part II.A.1. We shall see below, however, that it can sometimes stand alone.

¹²⁶ Rochelle Cooper Dreyfuss, *Expressive Genericity: Trademarks as Language in the Pepsi Generation*, 65 NOTRE DAME L. REV. 397, 402 (1990). Professor Dreyfuss’ analysis is explored in greater depth in Part III below. The phenomenon is also often referred to as “secondary meaning,” or even more simply as “reputation.”

¹²⁷ This may or may not be problematic, depending on the circumstances. On the one hand, we have seen that it would impose costs on consumers if one producer were granted the exclusive use of an entire category of products, because other brands would be forced into periphrasis to describe their products. In such cases, the genericism defense to an infringement action seems appropriate. However, there may exist other generic terms to which this reasoning does not so comfortably apply.

¹²⁸ Dreyfuss, *supra* note 126, at 402-04.

¹²⁹ *Id.* at 406-07. It is perhaps necessary here to acknowledge the irony of relying on Professor Dreyfuss’ explanation of the surplus value rationale, given that she explicitly rejects it in the very same paper. Her analysis is relied on because it draws together quite cogently the arguments for real property-like rights in trademarks.

¹³⁰ This argument from “surplus value” stands independently of any confusion rationale (as it must under the premises put forwarded by critics of section 422) and becomes crucial below when considering what this Note argues is the proper analysis under the *Gay Olympics* case. It is also, perhaps, the sole rationale of dilution laws, considered below.

¹³¹ One might wonder why the surplus value rationale does not extend to *any* generic term, for instance “Kleenex,” effectively wiping out altogether the consumer confusion requirement for trademarks. The difference may be the content of the surplus associations. “Champagne” quite simply evokes something more prestigious and elite than “Kleenex.” Likewise, the reason for a product’s having become generic might make a difference; whereas centuries of making the best

In light of the rationale underlying the interest in protecting brand builders, it is hard to imagine what means other than granting a property-like right in the mark or GI could further the interest. Section 422 achieves this interest through the narrow means of restricting uses only on wine labels. The Agreement does not explicitly address GIs and the bundle of rights that may eventually be attached to them.¹³² Rather, the Agreement has been implemented in the U.S. only by altering labeling regulations.¹³³ Thus, only a small subset of purely commercial speech is affected by section 422, and, even then, only prospectively. It is thus difficult to construe these means as more restrictive on speech than necessary.¹³⁴

The interest in indirectly benefiting U.S. wine producers by guaranteeing recognition of U.S. winemaking techniques and over 160 U.S. GIs is at least legitimate.¹³⁵ The benefit to these producers should not be underestimated. The winemaking techniques recognized in the Agreement (e.g., treating wine with oak chips) are used primarily in less expensive wines.¹³⁶ The “low-end” segment of the wine market, by and large, accounts for the bulk of the wine produced and shipped.¹³⁷ While the U.S. viticultural areas will not be granted “full” E.U. GI protection, they will receive exclusive recognition in the E.U. wine market.¹³⁸

The interest in securing these benefits for U.S. wine producers is

sparkling wine may have led to the generization, the simple fact that Xerox was the only player in the photocopying game might have resulted in the generization of its name. Finally, it may be that generic terms that began as geographic indications of source have a better claim to their surplus value, as the source-identifying root remains (that is, even the completely generic word “champagne” is homophonous with the region in France where it is produced).

¹³² *Supra* notes 52-55 and accompanying text.

¹³³ *Supra* notes 52-55 and accompanying text; *see also* Snyder, *supra* note 62, at 1318 (arguing for the constitutionality of the Wine Agreement and identifying the limited means of the regulation).

¹³⁴ The narrowness of the means is explored in greater detail in the analogy to dilution laws below.

¹³⁵ For details on these benefits, *see supra* notes 56-59.

¹³⁶ This is due, in part, to the cost of oak barrels (the traditional method for imparting an oak flavor), because oak chips can be added to wine that is stored in large steel vats. *See generally* Diana Macle-Gontier, *Europe Embraces Oak Chips*, WINE BUS. MONTHLY, May 15, 2006, available at <http://www.winebusiness.com/html/MonthlyArticle.cfm?dataid=43202>.

¹³⁷ *See* Press Release, Wine Inst., 2007 California Wine Sales Continue Increase, as Wine Expands Its Popularity Among Americans (2007), available at <http://www.wineinstitute.org/resources/statistics/article122> (last visited Feb. 17, 2009) (reporting that California wines priced at \$7 and below accounted for 62% of the cases shipped in 2005).

¹³⁸ *See supra* note 57 and accompanying text. Snyder, *supra* note 62, makes much of the U.S. wine industry’s consent to the Wine Agreement when he distinguishes the Agreement from the claw-back proposal. *See id.* at 1319. However, from a constitutional perspective, it is hard to see the relevance of consent, especially as those consenting (i.e. existing producers) have very different interests than those who are regulated (i.e. future producers) due to the fact that existing uses are grandfathered in. That is, even if one could consent to constitutional violations, one certainly could not do so on the behalf of another. Rather, the relevance of industry consent is that it reflects the substantial U.S. interests that are furthered by the regulation, namely the benefits to U.S. producers.

surely legitimate. Congress regularly passes laws favoring U.S. agricultural producers.¹³⁹ Without deciding whether the interest is “substantial,” it should be noted that the interest can be wholly achieved by minimally restricting only the wine labels of those producers who the restriction ultimately benefits, limiting their speech only prospectively. Thus, the interest in benefiting U.S. wine producers may independently justify upholding section 422’s restrictions on speech; in combination with a policy of allocating surplus value toward first producers, the interest in protecting farmers appears substantial.

Thus, even leaving aside discussion of the means, which are far narrower than what many critics perhaps imagined, substantial government interests in restricting commercial speech have been identified that are directly furthered by section 422’s speech restriction. Discussion of these interests will also become important in considering an alternative analysis under the *Gay Olympics* case. First, however, in order to see that the interest noted above (namely that of allocating surplus value) is sufficient to uphold the GI protection, section 422 is compared with the Federal Trademark Dilution Act. Specifically, it is argued that the constitutionality of dilution laws under *Central Hudson* leads logically to the constitutionality of section 422.

2. Limitation of Purely Commercial Speech: Dilution Laws in the Analogy

One area of law analogous to the protection afforded to certain E.U. GIs is the dilution protection provided to certain trademarks.¹⁴⁰ Under the Federal Trademark Dilution Act (FTDA) and similar state laws, a trademark owner may seek an injunction even against non-misleading uses of the mark.¹⁴¹ The FTDA and state anti-dilution laws have drawn a great deal of criticism.¹⁴² Much like the critics of the

¹³⁹ The existence of an “agribusiness” lobby in the common parlance seems proof enough of this fact. However, nothing sinister is implied by this assertion; responding to the needs of economic segments is part of Congress’ job.

¹⁴⁰ This analogy is recognized by Plevan and, in a different context, by Dreyfuss, who analogizes dilution protection to that afforded the USOC in the *Gay Olympics* case. As will be developed, however, the analogy is not perfect.

¹⁴¹ Federal Trademark Dilution Act of 1995 (FTDA), Pub. L. No. 104-98, 109 Stat. 985 (1996) (codified as amended at 15 U.S.C. § 1125 (2006)) (restricting certain uses, “without regard to consumer confusion”).

¹⁴² For a small selection of the extensive literature questioning anti-dilution statutes, see Mary LaFrance, *No Reason to Live: Dilution Law as Unconstitutional Restrictions on Commercial Speech*, 58 S.C. L. REV. 709 (2007); Lisa P. Ramsey, *Descriptive Trademarks and the First Amendment*, 70 TENN. L. REV. 1095 (2003); Patrick D. Curran, Comment, *Diluting the Commercial Speech Doctrine: “Noncommercial Use” and the Federal Trademark Dilution Act*, 71 U. CHI. L. REV. 1077 (2004). See also Volokh, *supra* note 63, at 732.

claw-back list, critics of the anti-dilution laws emphasize that the uses being restricted are non-misleading (though often for reasons different than genericity) and, thus, are unmoored from the “First Amendment compass” that keeps infringement claims in line with the Constitution.¹⁴³ In response to these First Amendment arguments, courts (and Congress) have tried to assuage concerns by limiting the FTDA’s application to purely commercial speech, bringing the law into conformity with *Central Hudson*.¹⁴⁴

*Mattel, Inc. v. MCA Records, Inc.*¹⁴⁵ is one example of the courts’ sensitivity to the tension between the First Amendment and the FTDA. There, Mattel sued MCA for both trademark infringement and dilution for use of the word Barbie in a song.¹⁴⁶ The infringement claim failed, as Mattel was unable to meet the common-law “likelihood of confusion” test as to source identification.¹⁴⁷ Nonetheless, Mattel’s dilution claim under the FTDA required a different analysis. Under the FTDA, even non-misleading uses of a “strong” mark can be restrained when they are “dilutive.”¹⁴⁸

The court found that Barbie was certainly a “strong” mark, as evinced by the popularity of the song, and that MCA’s use was

¹⁴³ See, e.g., LaFrance, *supra* note 142 (“For these reasons, the federal dilution statute, as well as most state dilution statutes, are unconstitutional restrictions on commercial speech. Under [*Central Hudson*], dilution laws violate the First Amendment because they restrict commercial speech without advancing any substantial government interest.”).

¹⁴⁴ For a useful (if dated) history of the FTDA’s journey in the courts, see Richard B. Biagi, *The Intersection of First Amendment Commercial Speech Analysis and the Federal Trademark Dilution Act: A Jurisprudential Roadmap*, 91 TRADEMARK REP. 867 (2001). For its subsequent amendment, see Trademark Dilution Revision Act of 2006, Pub. L. No. 109-312, 120 Stat. 173 (2006); *Panel II: Trademark Dilution Revision Act Implications*, 16 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1093 (2006).

¹⁴⁵ 296 F.3d 894 (9th Cir. 2002).

¹⁴⁶ *Id.* at 899.

¹⁴⁷ *Id.* at 902. As noted above, the traditional trademark law requirement of confusion provides an internal check on the potential of limiting free speech, as the First Amendment does not protect commercial fraud.

¹⁴⁸ The current statute defines dilution of a famous mark either in terms of blurring or tarnishment. According to the statute, blurring “is association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark.” The statute then lists six factors relevant to making this determination:

“(i) The degree of similarity between the mark or trade name and the famous mark.

(ii) The degree of inherent or acquired distinctiveness of the famous mark.

(iii) The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark.

(iv) The degree of recognition of the famous mark.

(v) Whether the user of the mark or trade name intended to create an association with the famous mark.

(vi) Any actual association between the mark or trade name and the famous mark.”

15 U.S.C. § 1125(c)(2)(B)(i)-(vi) (2006). The other species of dilution, dilution by tarnishment, is more simply defined as “association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.” § 1125(c)(2)(C).

dilutive.¹⁴⁹ However, to grant Mattel an injunction against this parodying, expressive use would appear to violate MCA's free speech rights.¹⁵⁰ The FTDA avoids this result by explicitly limiting its application to "commercial uses in commerce" and by providing a list of exceptions, including an exception for non-commercial uses.¹⁵¹ As previously discussed, under *Central Hudson*, purely commercial speech does not enjoy full First Amendment protection.¹⁵² Thus, the issue in the case became whether or not MCA's use was non-commercial.¹⁵³ Because the court found that the speech was non-commercial, the constitutional issue was avoided.¹⁵⁴

An analogous resolution of the First Amendment tension is available in the context of section 422. Because section 422 only applies to a small subset of purely commercial speech (the actual label a wine producer may use in commerce), it does not restrict fully protected speech.¹⁵⁵ Indeed, there is even less danger that the protection afforded by section 422 could reach out of its narrowly defined commercial speech restriction, as there is no cause of action under section 422 that could be brought against a non-commercial use.¹⁵⁶ The provisions of section 422 self-limit to purely commercial speech, so constitutionally unacceptable prohibitions reaching parody or satire (like the one sought by *Mattel*) could not be reached on its basis.¹⁵⁷ Thus, section 422 is procedurally less subject to abuse.

On a related note, section 422 provides less protection than dilution laws in terms of remedy. A defendant who is found to have made dilutive use of a mark might have invested in and substantially relied on his use; an injunction could be extremely costly.¹⁵⁸ Section 422, on the other hand, has a built-in defense for prior continuous uses: namely, the grandfathering clause.¹⁵⁹ In addition, it would not be possible to rely on a violating use, since no COLA containing such a use could be

¹⁴⁹ *Mattel*, 296 F.3d at 903-04.

¹⁵⁰ The constitutional status of trademarks appropriated in satire and parody is a fascinating topic beyond the scope of this Note.

¹⁵¹ § 1125(c)(3)(x).

¹⁵² See *supra* Part II.A.

¹⁵³ *Mattel*, 296 F.3d at 906-07. If the use was non-commercial, the FTDA would be inapplicable and no restriction on speech would occur; if the speech was found to be purely commercial, Mattel would be entitled to an injunction against MCA.

¹⁵⁴ *Id.*

¹⁵⁵ See *supra* Part II.A.4.

¹⁵⁶ That is, an owner of a strong mark could bring a dilution suit against any use under the FTDA, leaving it to the court to determine whether the use was purely commercial, whether the use was dilutive, etc.

¹⁵⁷ 26 U.S.C. § 5388(c) (2006). From all appearances, these regulations will not even reach to direct advertising for a brand, although other regulations may come into force at that point.

¹⁵⁸ It should be noted that traditional defenses, such as laches, may mitigate this result in practice.

¹⁵⁹ § 5388(c).

issued.¹⁶⁰

Finally, section 422 affords less substantive protection than the FTDA and other dilution laws. While the new law only restricts producers in a very specific product category, the FTDA protects non-misleading use of a mark even across product categories.¹⁶¹ Thus, use of 'Mickey Mouse Motor Oil' could be enjoined in a suit under the FTDA, while 'Bob's Champagne of Motor Oils' could not be prohibited as a substantive matter (leaving aside the above noted lack of a procedure to enforce any supposed right).¹⁶² Insofar as they provide greater substantive protection reaching across product categories, anti-dilution laws are even *more* suspect than this GI protection. Thus, section 422 is less restrictive than dilution law in several respects. If the dilution laws can pass muster, this law can a fortiori.¹⁶³

III. PROPOSAL

Thus, should a court reach the *Central Hudson* test, the analysis should conclude in upholding section 422's constitutionality.¹⁶⁴ However, as indicated briefly above, there are other cases under which this restriction may be analyzed. *San Francisco Athletic Association v. United States Olympic Committee (Gay Olympics)*¹⁶⁵ provides the closest analogy. Although the *Gay Olympics* majority utilized *Central Hudson* in upholding a law granting exclusive property-like rights in use of the word Olympic to the U.S. Olympic Committee (USOC), it also noted that there are circumstances where Congress has an interest in affording protection (perhaps far) beyond traditional trademark to certain mark holders.¹⁶⁶

This part argues that the *Gay Olympics* case acknowledges a degree of government power over speech quite distinct from the narrowly tailored limitations on purely commercial speech presented in

¹⁶⁰ *Id.*

¹⁶¹ This distinction thus tracks that observed by Professor Hughes between Lisbon and TRIPs protection for GIs. See *supra* note 40 and accompanying text; Hughes, *supra* note 10, at 347-51.

¹⁶² See, e.g., LaFrance, *supra* note 142, at 710 (describing a case where Ringling Brother's Circus brought a dilution claim against the state of Utah for advertising itself as "The Greatest Show on Earth" (citing Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev., 170 F.3d 449, 451 (4th Cir. 1999))).

¹⁶³ Of course, this is not the case when there is a far more compelling government interest behind the dilution laws. However, as this Note has argued, the rationale for each restriction is largely the same: namely, promoting a policy of allocating surplus value to brand-builders. If anything, it is the Wine Agreement that rests on more compelling interests, given its place in the international quid pro quo and our compliance with TRIPs.

¹⁶⁴ Again, this is the argument in favor of the Wine Agreement advanced by Snyder, *supra* note 62, at 1318-19.

¹⁶⁵ 483 U.S. 522 (1987).

¹⁶⁶ See discussion *infra* Part III.A.

Central Hudson and its progeny.¹⁶⁷ Thus, given its compelling analogy to the Wine Agreement, the *Gay Olympics* case requires a finding of constitutionality.¹⁶⁸ This Proposal also seeks to give a roadmap to a finding that section 422 is constitutional, preempting arguments to the contrary that (history indicates) are likely to surface.

A. *The Gay Olympics Case: There Is No Constitutional Genericism Doctrine*

In the *Gay Olympics* case, the Court heard a challenge from the San Francisco Athletic Association (SFAA), which was enjoined by the lower courts from using the word Olympic in promotion of its own games, The Gay Olympics.¹⁶⁹ The action was brought against the SFAA by the USOC.¹⁷⁰ Although the USOC held a trademark in Olympics, its action was not under the Lanham Act, but under the Amateur Sports Act (ASA) of 1978.¹⁷¹ That act vested the exclusive right to use the word Olympic in the USOC.¹⁷² Thus, the USOC was

¹⁶⁷ Although the power at stake is always over speech, the typical *Central Hudson* case involves advertising and a negative act of the government preventing speech. The *Gay Olympics* case and the Wine Agreement present a somewhat different scenario: the government positively grants a property right in a word to an entity. We will see that the inquiries dovetail to a certain extent, however.

¹⁶⁸ I would like to point out that this portion of the Note is purely descriptive; the broad Congressional power acknowledged in the *Gay Olympics* case may not be a good thing. A particularly compelling critique is provided by Dreyfuss, *supra* note 126, at 412-24. The purpose here, rather, is to call attention to the breadth of the *Gay Olympics* case power in order to support further the Agreement in Wine, and to point out that critics of speech restrictions in the IP field would be better served attacking the *Gay Olympics* case itself, which presents a more extensive application of the power at stake.

¹⁶⁹ *Gay Olympics*, 483 U.S. at 522.

¹⁷⁰ *Id.* at 527.

¹⁷¹ *Id.* Notice here that, like GI protection, we are not in the realm of trademark protection under the Lanham Act. This shows further the dissimilarity with the FTDA cases and, hence, the limits of that analogy.

¹⁷² *Id.* at 528-33 (discussing protection provided in ASA, and contrasting it with “normal” trademark protection). Section 110 of the ASA provided:

Without the consent of the [USOC], any person who uses for the purpose of trade, to induce the sale of any goods or services, or to promote any theatrical exhibition, athletic performance, or competition-

- (1) the symbol of the International Olympic Committee, consisting of 5 interlocking rings;
- (2) the emblem of the [USOC], consisting of an escutcheon having a blue chief and vertically extending red and white bars on the base with 5 interlocking rings displayed on the chief;
- (3) any trademark, trade name, sign, symbol, or insignia falsely representing association with, or authorization by, the International Olympic Committee or the [USOC]; or
- (4) the words ‘Olympic’, ‘Olympiad’, ‘Citius Altius Fortius’, or any combination or simulation thereof tending to cause confusion, to cause mistake, to deceive, or to falsely suggest a connection with the [USOC] or any Olympic activity;

permitted trademark remedies (including injunctions) against any unauthorized use, even though the ASA does not condition this right to an injunction on the existence of a *confusing* unauthorized use.¹⁷³ Rather, even with respect to non-confusing uses, non-authorized users were not allowed to mount traditional trademark defenses, such as genericity or fair use.¹⁷⁴

Thus, like both anti-dilution laws and section 422, the ASA presented a restriction on speech not tied to the traditional justification of preventing consumer confusion; it was thus subject to the same First Amendment attacks. The SFAA argued, *inter alia*, that the ASA's grant of exclusive rights violated the First Amendment.¹⁷⁵ In particular, the SFAA argued that "the word 'Olympic' is a generic word that cannot gain protection under the Lanham Act," that this prohibition is mandated by the First Amendment, and that, therefore, Congress cannot grant a trademark in the word to the USOC.¹⁷⁶ Second, the SFAA argued that "the First Amendment prohibits Congress from granting exclusive use of a word absent a requirement that the authorized user prove that an unauthorized use is likely to cause confusion."¹⁷⁷

As noted, at the heart of both of these claims is the contention that, for a restriction on commercial speech to be valid, there must exist at least the possibility of consumer confusion. We may then characterize the SFAA as positing a constitutional requirement that, in any restriction of commercial speech, the possibility of confusion must exist.¹⁷⁸ This is captured more neatly in the SFAA's second argument,

shall be subject to suit in a civil action by the [USOC] for the remedies provided in [the Lanham Act]. However, any person who actually used the emblem in subsection (a)(2), or the words, or any combination thereof, in subsection (a)(4) for any lawful purpose [before passage of the ASA] shall not be prohibited by this section from continuing such lawful use for the same purpose and for the same goods or services

. . . .
(c) *The [USOC] shall have exclusive right to use the name 'United States Olympic Committee'; the symbol described in subsection (a)(1); the emblem described in subsection (a)(2); and the words 'Olympic', 'Olympiad', 'Citius Altius Fortius' or any combination thereof subject to the preexisting rights described in subsection (a) of this section.*

Pub. L. No. 95-696, § 110, 92 Stat. 3045, 3048-49 (1978) (emphasis added).

¹⁷³ *Gay Olympics*, 483 U.S. at 531. Again, likelihood of confusion is the *sine qua non* for trademark infringement protection (and, arguably, trademark law's free speech compass).

¹⁷⁴ *Id.* Although, there is an argument that the ASA (like section 422, implementing the Agreement in Wine) was drafted with the defense of continuous prior use in mind; that is, both laws include grandfathering clauses permitting use by those who had employed the term before the passage of the law.

¹⁷⁵ *Id.* at 531-32. Of course, these are just the arguments raised now against the Agreement in Wine. See *supra* Part II.A.

¹⁷⁶ *Gay Olympics*, 483 U.S. at 531-32.

¹⁷⁷ *Id.*

¹⁷⁸ Although the *Gay Olympics* majority came out the other way, this is the argument that animates many of the attacks on dilution laws and the continuing attack on *Central Hudson* and the whole doctrine of lesser protection for commercial speech. See *supra* note 64 and

which directly controverts the existence of a Congressional power to grant proprietary interests (here, the right to “exclusive use”) in non-confusing terms.

The Court, in an opinion by Justice Powell, rejected the SFAA’s arguments.¹⁷⁹ Although Powell did not rely heavily on dilution laws as an analogy, he was clearly cognizant of the other major rationale for protecting trademarks (i.e. surplus value/brand-building incentives).¹⁸⁰ Largely on the basis of the reasoning from surplus value allocation, the Court concluded that there are circumstances where a private entity can obtain a proprietary interest in a word capable of preventing others from using the term without authorization:

“Yet this recognition [that generic words ordinarily cannot be restricted] has always been balanced against the principle that when a word acquires value ‘as the result of organization and the expenditure of labor, skill and money’ by an entity, that entity may constitutionally obtain a limited property right in that word.”¹⁸¹

The question then becomes, “How ‘limited’ is this ‘property right’?” The Court immediately claims that it is not deciding “whether Congress ever could grant a private entity exclusive use of a generic word.”¹⁸² This claim is at least somewhat difficult to understand. Since, previously, the Court purported to take the SFAA at its premise that Olympic had become generic, the Court must mean either 1) that the USOC is not a completely “private entity” (and that this fact is significant) or 2) that USOC does not have the right to “exclusive use.” The latter can be dismissed as patently false;¹⁸³ the former is more problematic. It is hard to imagine what difference it could make that the USOC has its origins in government; indeed, the court repeatedly downplays those ties later in the opinion, when dismissing the SFAA’s equal protection argument on the grounds that there is no state action.¹⁸⁴

It appears that only two alternatives remain: either the Court has silently backed off its adoption of the SFAA’s genericity premise and is treating Olympic as non-generic, or it is not being straight-forward about the extent of the congressional power it is recognizing.¹⁸⁵ As the

accompanying text.

¹⁷⁹ *Gay Olympics*, 483 U.S. at 532-42.

¹⁸⁰ *See id.* at 539 (“[Congress] could determine that unauthorized uses, even if not confusing, nevertheless may harm the USOC by lessening the distinctiveness and thus commercial value of the marks.” (citing Schechter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813, 825 (1927))).

¹⁸¹ *Id.* at 532.

¹⁸² *Id.*

¹⁸³ The ASA is quite clear that the USOC has the right to enjoin any non-authorized use that did not precede the ASA’s enactment.

¹⁸⁴ *Gay Olympics*, 483 U.S. at 542-47.

¹⁸⁵ There may be a middle ground, although it does not appear wholly logical. Powell makes the following argument: “Although the Lanham Act protects only against confusing uses,

Court's analysis proceeds, it emphasizes the work put into building the Olympic "brand" by the USOC and International Olympic Committee, in order to support its claim that Congress had not "simply plucked a generic word out of the English vocabulary and granted its exclusive use to the USOC."¹⁸⁶ The real force of this argument is that Congress has not done something arbitrary; hence, a better reading of the Court's initial claim may be that it does not decide whether Congress ever could *arbitrarily* "grant a private entity exclusive use of a generic word."¹⁸⁷

Relying heavily on the surplus value rationale for trademark protection,¹⁸⁸ all the court seems to require is that Congress "reasonably could conclude" that the entity being granted property-like rights in a word has "distinguished the word . . . through its own efforts."¹⁸⁹ In such a case, it seems clear from the *Gay Olympics* case that Congress may grant that entity an exclusive right to use even a generic word.

This power is extremely broad. Speech restrictions allowable under this power are substantially less problematic when they affect only purely commercial speech, as indicated in the *Mattel* analysis.¹⁹⁰ However, in *Gay Olympics*, the Court upheld a restriction of an allegedly generic mark even where "some uses [of the mark] may go beyond the 'strictly business' context."¹⁹¹ In doing so, the Court recognized that substantial government interests may justify placing restrictions on generic terms even in non-commercial settings, so long as the core purpose of the law was to restrict commercial uses, and the restriction was not stronger than reasonably necessary to do so.¹⁹²

The main condition on constitutionally obtaining an exclusive use under this Congressional power appears to be a reasonable conclusion

Congress' judgment respecting a certain word is not so limited. Congress reasonably could conclude that most commercial uses of the Olympic words and symbols are likely to be confusing." *Id.* at 539. Ruling out the unlikely argument that Congress is somehow more privy to what causes confusion than the courts, the best that may be said for this argument is that Powell is alluding to the standards employed under the Lanham Act to determine likelihood of confusion and intimating that they are more exacting than necessary.

¹⁸⁶ *Id.* at 534.

¹⁸⁷ *Id.* at 532.

¹⁸⁸ The analysis seems to move in two stages. As the Court begins its discussion, it cites in a footnote several instances where Congress has granted property interests in certain marks to a variety of quasi-governmental institutions. *Id.* at 532 n.8. Thus, acknowledging Congress' power to grant exclusive use in non-generic words, the Court looks to see whether the fact of genericness alone is fatal. Seeing a remaining trademark justification, namely surplus value, the court seems to conclude that so long as Congress is not being arbitrary in rewarding the purported "brand-builder," Congress is within its power. *Id.* at 534-35.

¹⁸⁹ *Id.* at 534.

¹⁹⁰ See *supra* Part II.C.

¹⁹¹ *Gay Olympics*, 483 U.S. at 535.

¹⁹² *Id.* at 536-40 (concluding that even though some expressive uses of the word "Olympic" may be prohibited by the ASA, Congress could reasonably conclude these restrictions were incidental and necessary to achieve the interests furthered by the ASA).

by Congress¹⁹³ that the entity has distinguished the word in question through its own efforts. The Court also adduces other substantial governmental interests when conducting its related *Central Hudson* inquiry and perhaps incorporates the requirement that the law be no more restrictive than necessary to attain its goal.¹⁹⁴ However, one thing notably absent from the “no more restrictive than necessary” requirement is the requirement that the restriction affect only commercial speech.¹⁹⁵

In his dissent (joined by Justice Marshall), Justice Brennan attacks the protection afforded under the ASA.¹⁹⁶ However, it is critical to acknowledge that Justice Brennan attacks on the basis of the law’s ability to curtail *non-commercial* speech.¹⁹⁷ Had the ASA limited itself to restricting only purely commercial speech, it appears it would have had the support of all nine justices.¹⁹⁸

B. *The Agreement in Wine Is Another Example of This Congressional Power*

The protection granted by Congress to the USOC, recognized as legitimate in the *Gay Olympics* case, is quite strong. It is arguably stronger than dilution protection, which will be upheld only against non-authorized uses that are purely commercial.¹⁹⁹ And it is certainly stronger than the protection afforded the 17 GIs, which restrict only purely commercial speech within a single category of products, and even then only in the medium of labeling.²⁰⁰

Thus, the analogy between SFAA and the GI case is not in the degree of protection granted, but in the method of protection and the

¹⁹³ In reality, the availability of a reasonable conclusion should be sufficient; explicit congressional findings are likely unnecessary.

¹⁹⁴ *Gay Olympics*, 483 U.S. at 539 (concluding that “[t]he restrictions of [the ASA] are not broader than Congress reasonably could have determined to be necessary to further [the legitimate Congressional] interests”).

¹⁹⁵ Again, as a normative matter, one might question the wisdom of having a power so broad appear to hinge on a mere rationality review of Congress’ conclusion that a private entity deserves an exclusive use. Like the dissent, I’m troubled by the implications of the *Gay Olympics* case for non-commercial, expressive speech. Perhaps an alternative proposal would be an exhortation to the Court to explicitly limit *Gay Olympics* to commercial speech.

¹⁹⁶ *Id.* at 560-61 (Brennan, J., dissenting) (“The Court construes [the ASA] to give the USOC authority over use of the word ‘Olympic’ which far surpasses that provided by a standard trademark.”).

¹⁹⁷ *Id.* at 561 (“The statute is overbroad on its face because it is susceptible of application to a substantial amount of noncommercial speech, and vests the USOC with unguided discretion to approve and disapprove others’ noncommercial use of ‘Olympic.’”).

¹⁹⁸ Justices O’Connor and Blackmun concurred with the majority’s determination that the ASA survived First Amendment scrutiny.

¹⁹⁹ See *supra* Part II.B.2.

²⁰⁰ See *supra* Part I.

governmental interest behind it. Both the ASA and section 422 are statutory enactments protecting, not trademarks, but exclusive rights to use words themselves.²⁰¹ They raise a similar concern, namely that one prevented from using that word cannot defend himself by claiming that his use will not create confusion; the likelihood-of-confusion justification for this restriction is thus excluded from the outset.²⁰² In this sense, the protection is quite separate from traditional trademark protection and calls for a distinct analysis of the interests involved and the means employed.

So while the *Mattel* and *Central Hudson* analyses provide a sufficient basis for upholding section 422, a more appropriate approach comes from the *Gay Olympics* case. This approach begins by acknowledging what is clear from that case: under some circumstances, Congress can grant exclusive rights in words to private parties without relying on consumer confusion as a justification.²⁰³ The remainder of this Note argues that the Agreement in Wine presents an even more compelling case for the exercise of this broad Congressional power than the ASA.²⁰⁴

The government interests behind the ASA and section 422 are similar. In both cases, there is an allocation of surplus value.²⁰⁵ Taking for granted that the word Olympic has become sufficiently generic so as not to indicate that any use of it identifies affiliation with the USOC, the term nonetheless carries with it positive connotations and values that enhance the credibility or prestige of the individual using it.²⁰⁶ This value is “surplus” in the sense that it does more than simply identify a

²⁰¹ Though again, the exclusive right to the word “Champagne” is only exclusive with respect to wine labels. While the limitation of regulation to wine labeling certainly reduces the “property-like” quality of the protections, the future right to exclusive use is surely a substantial restriction on those who would most want to make use of these terms, specifically future producers in the U.S. The disclaimer in the Agreement that it does not (1) create property rights, and (2) does not violate the First Amendment are thus conclusory and self-serving; they certainly cannot prevent an analysis of the extent to which the restrictions do reserve the right to exclusive use of generic terms to certain E.U. producers.

²⁰² Again, leaving aside the possibility that either “Olympic” or “Champagne” might cause confusion in some circumstances.

²⁰³ See *S.F. Arts & Athletics, Inc. v. U.S. Olympic Comm. (Gay Olympics)*, 483 U.S. 522, 538 n.8 (1987) (listing words that have been granted exclusively to various organizations, including the Red Cross).

²⁰⁴ The analysis of the interests dovetails with the *Central Hudson* test, insofar as the extra-trademark restriction applies to purely commercial speech, as in the case of section 422. What is noteworthy, however, is that these interests can be used to argue for upholding the labeling restrictions even if section 422 were to fail muster under *Central Hudson* (e.g., by reaching noncommercial speech).

²⁰⁵ See *supra* notes 186-89 and accompanying text; see also *supra* Part II.B.1.

²⁰⁶ *Gay Olympics*, 483 U.S. at 532-33 (“Congress reasonably could conclude that the commercial and promotional value of the word ‘Olympic’ was the product of the USOC’s ‘own talents and energy, the end result of much time, effort, and expense.’” (quoting *Zacchini v. Scripps-Howard Broad. Co.*, 433 U.S. 562, 575 (1977))).

source.²⁰⁷ The rationale behind upholding USOC's exclusive right despite the lack of source-identifying confusion may be that, as between the USOC, who invested to build up that surplus value, and the SFAA, who seeks to appropriate that value in promoting its own games, the USOC has the better claim.²⁰⁸ The court in *Gay Olympics* argues that the government has a substantial interest in ensuring that the USOC retain the benefit of this value.²⁰⁹

Likewise in the case of GIs, although the word "Champagne" or "Champagne-style" on a bottle of California bubbly may not confuse a customer as to the source of the wine, it may lend an air of quality or respectability that has been built around the reputation of Champagne.²¹⁰ As between the Champenoise, whose centuries of investment have created this prestige, and the California producer seeking to enhance the prestige of his own wine, the benefit should go to the Champenoise.²¹¹ The surplus-value rationale for granting exclusive rights even in potentially generic terms thus underlies both cases.²¹²

Another rationale that underlies both the ASA and 422 is complying with foreign obligations.²¹³ Although this point is not stressed in *Gay Olympics*, it remains true that the protection of Olympic symbols (presumably including the word Olympic) was agreed to as a matter of international law.²¹⁴ Thus, as in section 422, the investment of the French is protected as surplus value pursuant to an international

²⁰⁷ Dreyfuss, *supra* note 126, at 402.

²⁰⁸ *Id.* at 403-05 (applying surplus value rationale to the *Gay Olympics* case).

²⁰⁹ See *supra* note 188 and accompanying text.

²¹⁰ See *supra* note 118 for an argument that this "free-riding" on prestige is the only benefit a U.S. producer could yield from using "Champagne" on his label.

²¹¹ Indeed, Justice Powell's long discussion of the steps taken by the IOC and the USOC to make the modern Olympics what they are would seem to imply that the millennia of effort put forward by the people of Champagne deserves at least this much, if not more, consideration.

²¹² It would be remiss to employ Dreyfuss' analysis of surplus value without pointing out that she thinks it's an inappropriate way of deciding this issue. See *supra* note 129 for a similar acknowledgment. While addressing her contention that it is in fact the public that deserves surplus value would go far beyond the scope of this Note, it is sufficient to point out that, assuming that the Court accepted the surplus value as created by USOC in the *Gay Olympics* case, it will likely accept it in a challenge to section 422 as well.

Of course, the surplus-value rationale is not unique to these two laws; it can be applied just as well to justify dilution statutes. There, too, a later user seeks to appropriate the connotations that have been created above and beyond the source-identifying function of the mark; likewise, the second user is prevented from doing so, even when the use is non-confusing. Indeed, this rationale might be the sole justification for those laws.

²¹³ *S.F. Arts & Athletics, Inc. v. U.S. Olympic Comm. (Gay Olympics)*, 483 U.S. 522, 533-34 (1987) ("[T]hese rules direct every national committee to protect the use of the Olympic flag, symbol, flame, and motto from unauthorized use. . . . Pursuant to this authority, the USOC has used the Olympic words and symbols extensively in this country to fulfill its object under the Olympic Charter of 'ensur[ing] the development and safeguarding of the Olympic Movement and sport.'" (citations omitted)).

²¹⁴ *Id.*

agreement.²¹⁵

Naturally, this rationale cannot be taken too far. Although it remained an open question whether the U.S. government could complete extra-constitutional treaties after *Missouri v. Holland*,²¹⁶ *Reid v. Covert* is generally cited for the proposition that it cannot.²¹⁷ However, it is not clear (1) that *Reid* should control the analysis, and (2) that if it does, *Reid* would undermine this justification for section 422. As noted, the Agreement in Wine is not a treaty in the formal sense of the term.²¹⁸ Whatever the status of extra-constitutional treaties after the *Reid* plurality decision, the status of extra-constitutional executive agreements is perhaps less clear.²¹⁹ However, even if the analysis is the same, *Reid* can be read to limit only Treaty power infringements on Constitutional rights that are “affirmatively granted.”²²⁰ While freedom of speech is one such right, commercial speech arguably occupies a lesser status; indeed, at the time of both *Missouri* and *Reid*, commercial speech was afforded no protection at all.

In any event, what is important is that, in an area where less than complete protection is afforded to speech, the government can assert a substantial legitimate interest in complying with its agreements.²²¹ Rather than claiming first that an international agreement is unconstitutional, then claiming that there can be no legitimate interest in following it, we should weigh during the constitutional analysis itself the government’s interest in following the treaty in favor of a finding of constitutionality.²²²

²¹⁵ Another area where Congress has granted quite strong protection to an ideogram is national flags and coats-of-arms. See *infra* Part III.C. It is hard to imagine that the grant of this protection is in any way moored to the traditional trademark justification of avoiding confusion or particularly sensitive to the constitutional refusal to protect commercial fraud. Rather, this seems a straightforward case of speech restriction justified mainly by international *quid pro quo*.

²¹⁶ 252 U.S. 416 (1920).

²¹⁷ 345 U.S. 1 (1957).

²¹⁸ See *supra* note 48.

²¹⁹ Dinwoodie, *supra* note 112, at 381-82 (discussing the relationship between formal treaties and congressional-executive trade agreements and noting the Supreme Court’s tendency to view the scope of authority the same under both).

²²⁰ *Id.* at 360-61 (“For [some] commentators, the primary (and perhaps only) limits on the Treaty Clause would be affirmative prohibitions (such as the First Amendment).”); see also Carolyn T. Nguyen, Note, *Expansive Copyright Protection For All Time? Avoiding Article I Horizontal Limitations Through the Treaty Power*, 106 COLUM. L. REV. 1079, 1103-06 (2006).

²²¹ One line of cases that addresses the strength of the government’s interest in complying with the law are those surrounding the enforcement of the Voting Rights Act (VRA). See, e.g., *Shaw v. Reno*, 509 U.S. 630, 654 (1993) (“The States certainly have a very strong interest in complying with federal antidiscrimination laws that are constitutionally valid as interpreted and applied.”). The analogy fails insofar as the VRA is not an international agreement, but it works insofar as compliance with a law can be a substantial interest.

²²² For example, the U.S. bound itself through TRIPs articles 23 and 24 to continue negotiating toward increased GI protection. Since no one appears to be arguing that TRIPs itself is unconstitutional, then completing the Agreement in Wine can be seen as action in conformity with our international obligations. Needless to say, if the Agreement itself is unconstitutional, the

When considering the government's interest in compliance with treaties, it is important to acknowledge other interests that are furthered by such compliance. As already noted, a general policy of allocating surplus value to those who produce it is furthered both by the restrictions imposed by the ASA and the Agreement in Wine.²²³ In both the Agreement in Wine and the conventions protecting national symbols abroad, the interests in gaining recognition and protection of our own wines and national symbols is a legitimate substantial interest furthered by our compliance with international agreements.²²⁴

While these interests are similar to those cited in the *Central Hudson* analysis, it must be kept in mind that this analysis differs insofar as it can be applied even to restrictions that are likely to affect non-commercial speech, so long as any such impact is "incidental to the primary congressional purpose" of allocating surplus value.²²⁵ While this finding of "inciden[ce]" to the purpose was crucial to upholding the ASA in the *Gay Olympics* case, concerns about non-commercial speech are not present in section 422. Thus, the Agreement in Wine presents a more compelling justification for the exercise of this extraordinary power.

Here, as under the *Central Hudson* analysis, if section 422's restrictions on speech were not at least reasonably necessary to achieve Congress' goals, the law might be vulnerable. The *Gay Olympics* majority seems to recognize this by providing the condition that Congress at least be able to "reasonably conclude" that the surplus-value rationale is present before it employs what are in fact the only suitable means: granting a proprietary interest.²²⁶ An opponent of the Agreement in Wine might then attack the means by claiming that surplus value, as well as the other interests adduced, could be protected

existence of TRIPs won't save it. However, the analysis provided shows that the Agreement is *not* an unconstitutional infringement of free speech. As such, the government should be able to cite compliance with the Agreement in Wine as a substantial interest furthered by section 422's minimal speech restrictions.

²²³ See *supra* notes 205-12 and accompanying text.

²²⁴ See discussion *infra* Part III.C. The idea here is that, although section 422 will restrict U.S. producers in some ways, passage of that section also procures a benefit to those producers. That is, U.S. compliance with the Agreement assures recognition of U.S. wine GIs and winemaking techniques in Europe, which will strengthen the U.S. producers' market position there.

²²⁵ *S.F. Arts & Athletics, Inc. v. U.S. Olympic Comm. (Gay Olympics)*, 483 U.S. 522, 536 ("The restrictions on expressive speech properly are characterized as incidental to the primary congressional purpose of encouraging and rewarding the USOC's activities."). Further, the weight of these interests suggests itself as a positive reason for not only describing the Congressional power recognized in *Gay Olympics*, but also for justifying that power. That is, these interests make a compelling case for GI protection; as such, even if the *Gay Olympics* case, on its facts, goes too far, such interests might be cited independently to uphold section 422 under *Central Hudson*.

²²⁶ *Id.* at 532-33.

by granting less restrictive protection to the 17 GIs.²²⁷

Such a line of attack on the Agreement in Wine and its enabling legislation is doomed from the outset. While the ASA, which restricted even non-commercial uses and gave the USOC a variety of enforcement mechanisms, may be subject to this attack, section 422 does neither.²²⁸ Rather, it merely compels a government agency to refuse to approve wine labels with certain words on them and to otherwise prevent such labels from reaching the market.²²⁹ As discussed above, there is no right to an injunction vested in the various E.U. locales and the right to exclusive use is limited to wine labels. Products other than wine are free to use the terms however they previously had. Further, the restriction not only self-limits in terms of what it restricts, but also who it restricts. Because this narrow class is the very same class benefited by the reciprocal restrictions abroad, it is hard to imagine a more narrowly tailored solution. Thus, section 422 represents only a narrow implementation of the power recognized in the *Gay Olympics* case.

Finally, the ASA and section 422 share a narrowing device that helps deflect constitutional attack: namely, the clauses in each that allow for pre-existing uses to be “grandfathered” in.²³⁰ As noted briefly above, this clause essentially parallels the common law trademark defense of prior continuous use.²³¹

C. *Other Examples of Congress' Power to Grant Exclusive Rights in Ideograms*

There are other examples of Congress choosing to allocate property-like rights in words to private (or semi-private) institutions, as pointed out by Justice Powell in the *Gay Olympics* case.²³² These include Smokey Bear,²³³ the Red Cross,²³⁴ and Boy Scouts.²³⁵ These

²²⁷ See, e.g., Niska, *supra* note 62, at 435 (“[I]f the government were really interested in helping European agricultural producers, there could be other methods of helping them [without restricting speech].”).

²²⁸ Again, the labeling restrictions will not reach noncommercial expression, and use of the GIs outside the context of labeling is still presumably allowed.

²²⁹ 26 U.S.C. § 5388(c) (2006).

²³⁰ The similarities of the laws in this respect lead this author to question whether the drafters of section 422 looked specifically at *Gay Olympics* in anticipating constitutional attacks. As yet, however, no legislative history to this effect has been brought to my attention.

²³¹ Perhaps more importantly, it prevents any economic injury from falling on those in the best position to complain, those who have relied on the GIs in building their own brands to this point. The separate issue of who might have standing to challenge the GI protection, while left aside for the purposes of this Note, might present an initial impediment to a challenger of section 422.

²³² *S.F. Arts & Athletics, Inc. v. U.S. Olympic Comm. (Gay Olympics)*, 483 U.S. 522, 532, n.8 (listing examples of statutory grants of exclusive use in words). See generally MCCARTHY, *supra* note 18, at app. A2 A.

²³³ 18 U.S.C. § 711 (2006).

statutes, like the ASA and section 422, do not limit themselves to granting trademark protection, but grant exclusive use to an entity.

According to the *Gay Olympics* rationale, these are not examples of Congress arbitrarily granting property rights in words; the long work of these entities to establish these names may be seen as a justification for the speech restriction, quite apart from the issue of whether or not competing uses might cause confusion.

Another example of this power is found in the protection afforded to foreign national symbols under U.S. law.²³⁶ What these grants of exclusive rights have in common with section 422 is not the specific issue of genericity, but rather the absence of a consumer-confusion rationale.²³⁷ While the coat of arms of a Scottish noble could not be described as generic (what could it generically stand for?), it would be fair to say that using that symbol on a pack of cigarettes would not confuse a customer into thinking the tobacco has been produced in that noble's one-time fiefdom. Thus, use of the symbol is granted exclusively to an entity without regard to whether competing uses might cause confusion.²³⁸

These latter restrictions are also analogous to section 422 insofar as they demonstrate the weight of the government's interest in providing international *quid pro quo*. Protecting foreign national symbols domestically ensures protection of our symbols abroad;²³⁹ likewise, protecting E.U. GIs in U.S. markets has led to protection (and potentially expanded presence) for U.S. wines abroad.²⁴⁰

²³⁴ 18 U.S.C. § 706 (2006).

²³⁵ 36 U.S.C. § 30905 (2006) ("The corporation has the exclusive right to use emblems, badges, descriptive or designating marks, and words or phrases the corporation adopts.").

²³⁶ See 15 U.S.C. §§ 1502(a)-(b). For gloss and case law on these sections, see 5 MCCARTHY, *supra* note 18, at §§ 29:23-24.

²³⁷ Professor Hughes provides an important caveat:

One problem here is that there might be a real confusion issue—governments might want to prevent private entities from using symbols of state power that might make people think private entities are actually government entities. If you have ever seen the private companies that try to sell visa and immigration services to foreigners, you will see that many of them adopt names that sound awfully official and governmental.

Email from Justin Hughes, Professor, Benjamin N. Cardozo School of Law, to Scott Danner (Jan. 27, 2008, 04:00:00 EST) (on file with author). Thus, the analogy is most useful when limited to heraldry and nobility insignia.

²³⁸ There is a distinction here between the protection afforded by § 1502(a) and that afforded by subsection (b). See MCCARTHY, *supra* note 18, at §§ 29:23-24.

²³⁹ Additionally, these protections fulfill our responsibilities under another international treaty, the Paris Convention. See *supra* notes 30-33 and accompanying text (discussing the Paris Convention in relation to GIs).

²⁴⁰ See Agreement, *supra* note 1, arts. 1-5; Rose, *supra* note 15, at 759-60 (discussing effect of these Articles); *id.* at 764-70 (discussing likely impact on the wine trade).

IV. CONCLUSION

If this analysis of the *Gay Olympics* case is correct, we ought to be troubled, as Justice Brennan clearly was, by the prospect of a government power to restrict non-misleading, non-commercial speech by granting an exclusive property right in a word. However, the narrower power recognized in that case is sufficient to uphold the constitutionality of the Agreement on Trade in Wine. Further, even a *Central Hudson* analysis ignoring the extraordinary Congressional power recognized in the *Gay Olympics* case does not threaten section 422's minimal restrictions. To the extent that the move toward "real property"-like protections for certain areas of IP law is troubling, the GI protection at issue here avoids many of the pitfalls that call this movement into question. A court faced with the attacks being articulated should have no trouble upholding section 422.