

Geographic Trademarks

The consuming public is not easily deceived

By Noel D. Humphreys

Many Americans have driven a Pontiac Bonneville or a Chrysler Sebring without attending time trials in Utah or races in Florida. Americans may wear a London Fog raincoat or a Tommy Bahama festive shirt and never go to London or Nassau.

Those marks all benefit from U.S. trademark registrations. Bonneville, Daytona, Le Mans, and Sebring are famous for speedy automobiles, but the cars bearing those names were not made in those places. Milano cookies don't come from Milan, Italy, any more than Roman Meal bread comes from Rome.

Recently, the trademark office refused to register Moskovskaya as a mark for vodka, saying the mark was primarily "geographically deceptively misdescriptive," but the federal circuit said the trademark office had looked at a wrong group of consumers to measure the deceptiveness. *In re Spirits Int'l N.V.*, 563 F. 3d 1347, 90 USPQ2d 1489 (Fed. Cir. 2009), which was vacated and remanded. 86 USPQ2d 1078(TTAB 2008).

The vodka does not originate in Moscow, and Moskovskaya means "of or from Moscow." Moscow is known for production of vodka.

Why are the marks Le Mans, Bonneville, Sedona or Daytona for automobiles not deemed primarily geographically deceptively misdescriptive,

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but Moskovskaya for vodka is? The answer is that, based on little or no evidence, officials worried that too many people would be deceived. Consumers, the trademark examiner decided, would buy Moskovskaya vodka thinking that it comes from Moscow. On the other hand, hardly anyone thinks a Chevy Malibu comes from Malibu.

Section 2(e) (3) of the Lanham Act, (15 U.S.C. Section 1052(e) (3)), controls whether a mark is deemed geographically deceptively misdescriptive. Under that section, in connection with a refusal to register a mark, trademark officials must find that the alleged geographic misdescription materially affects the public's decision to purchase the goods. *In Re California Innovations, Inc.*, 329 F.3d 1334 (CAFC, 2003). Since then, courts have struggled with whether the necessary materiality "embodies a requirement that a significant portion of the relevant consumers be deceived."

Judge Rader's opinion in *California Innovations* explains at length the relevant law before and after the 1992 adoption of the North American Free Trade Agreement, as implemented by amendments to the Lanham Act in 1993. Trademark officials cannot register a mark on the grounds that it is "primarily geographically deceptively misdescriptive" under Section 1052(e) (3) if public deception of, or fraud on, consumers is shown.

The trademark office must show that the "goods-place association" made by the consumer is "material" to the consumer's decision to purchase those goods. Is there evidence that goods like applicant's are a

principal product of the geographical area named by the mark? Is there evidence to show that the "place is noted for the particular goods?" In one case, the court concluded that members of the public would mistakenly believe they were purchasing "traditional Venetian products" that did not come from Venice because applicant's products were "indistinguishable" from the products traditionally originating in Venice. In another case, the court backed refusal to register a New York mark for leather goods because New York was "renowned" for such goods.

Judge Rader summarized the test as follows: (1) The primary significance of the mark is a generally known geographic location; (2) The consuming public is likely to believe the place identified by the mark indicates the origin of the goods bearing the mark, when in fact the goods do not come from that place; and (3) The misrepresentation was a material factor in the consumer's decision.

In *California Innovations*, the court determined that the public did not associate "California" with "thermal insulated bags for food and beverages and thermal insulated wraps for cans." Therefore, the proposed registration for California Innovations for such goods did not trigger the kind of association that would make the proposed mark misdescriptive and not registerable.

The decision in *California Innovations* raises issues of burden of proof and evidence. Who has the burden of persuasion regarding how many members of the public know the geographic location or believe that the place name indicates

place of origin? For example, how does a would-be registrant establish that labeling an SUV with Yukon does not deceive consumers when the vehicle does not come from Canada, while labeling blue cheese with Roquefort does deceive consumers if that cheese was not made in a particular area of France?

Chevrolet marketers must think that people want to own cars that conjure up thoughts of Malibu or Monte Carlo. But customers have to know that these evocative names do not signify origin in the same way that "Champagne" signifies origin of bubbly wine in a particular area in France. How can a court decision capture and describe subtle interplay like that? An evocative name must be "material" enough to customers to cause a car-maker to spend millions in advertising but not "material" enough that a consumer will be misled into thinking that the place name conveys information about the auto's physical origins. What evidence tends to prove such consumer psychology in vast numbers of the public?

In the *Moskovskaya* case, the trademark office examiner determined that the word *Moskovskaya* in Russian translates to English as "of or from Moscow." Then, he found that Moscow was a generally known geographic location and that the public would likely believe the goods were from Moscow, because there was a goods/place

association between well-regarded vodka and Moscow. Finally, the examiner found that this belief would likely be material to consumers' buying choices.

The Trademark Trials and Appeals Board considered whether an "appreciable segment of the buying public" would understand that *Moskovskaya* indicates that the vodka comes from Moscow. Approximately 700,000 Americans speak Russian. Some portion of those would be likely to be induced to purchase the vodka on the mistaken inference that the vodka actually originated from Moscow. The board deemed that a large enough number.

On appeal, the Court of Appeals said that the board should have used a "proportionality" test. Judge Dyk's opinion said that it is "clear" that "appropriate inquiry for materiality purposes is whether a substantial portion of the relevant consumers is likely to be deceived."

Under Section 2(e) (3), the board had said "an appreciable number" of consumers for the goods must be deceived. The board rejected a requirement of "proportionality," in that the board did not consider whether Russian speakers were a "substantial portion of the intended audience." The board should attempt to discern whether a substantial portion of the intended target audience would be deceived, not whether a specific number of potential customers

is affected by the potential deception, the appeals court said.

The Court of Appeals remanded the case. The decision noted "We note that only 0.25 percent of the U.S. population speaks Russian... If only one quarter of one percent of the relevant consumers was deceived, this would not] be, by any measure, a substantial portion." However, the board is free to consider whether Russian speakers constituted a greater percentage of the vodka-consuming public and that some number of non-Russian speakers would understand the mark to suggest that the vodka originated in Moscow. Perhaps, these groups together form a substantial portion of the intended audience. Both the TTAB and the appeals court appeared to suggest that only Russian speakers would know that "*Moskovskaya*" means "of or from Moscow."

These cases do not really clarify why the consuming public is not deceived when we buy a Chevrolet Malibu automobile, Pepperidge Farm Milano cookies or London Fog rain gear, but we would be deceived if the trademark office had registered *Moskovskaya* for vodka. The language of these decisions lacks the power to explain these outcomes. Sometimes the absurdities of the law simply cannot be readily explained. ■