

Recognition of the Importance of International Trade: “Save Venice” from a Geographic Indication Trademark Violation

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I. INTRODUCTION

Save Venice New York, Inc. (Appellant), a not-for-profit New York corporation, appealed the decision of the United States Patent and Trademark Office (PTO) Trademark Trial and Appeal Board (Board) which affirmed the final rejection of Application Serial No. 75/222,218.¹ Appellant, a corporation aimed at preserving and restoring the cultural treasures of Venice, Italy, included the “SAVE VENICE” service mark² on various fundraising and newsletters for its preservation efforts.³ In order to create a “composite mark”⁴ comprised of both the phrases “THE VENICE COLLECTION” and “SAVE VENICE, INC.” with the sketch of the Lion of St. Mark, Appellant filed an intent-to-use application with the PTO.⁵ By registering this composite mark on the principal register, Appellant intended to cover its various goods in nine different internationally designated classes.⁶ It should be noted that none of Appellant’s goods, with the exception of various glass products, originated in Venice, Italy.⁷ Deeming the mark as primarily

1. See *In re Save Venice New York, Inc.*, 259 F.3d 1346, 1349, 1351 (Fed. Cir. 2001).

2. A service mark is used by an organization “in connection with services such as those provided by travel agents, beauty salons, or restaurants.” See MICHAEL D. CARBO, *Copyrights, Patents, Trade Secrets, and Trademarks*, in WHAT EVERY ATTORNEY NEEDS TO KNOW ABOUT INTELLECTUAL PROPERTY 20 (Tulane Continuing Legal Education & the Tulane Journal of Technology and Intellectual Property Seminar ed., 2001).

3. See *In re Save Venice*, 259 F.3d at 1349. The unregistered Lion of St. Mark design has been included on Save Venice’s newsletters and fundraising activities since 1971. Since 1991, however, the “SAVE VENICE” service mark has been registered on the principal register. *Id.*

4. *Id.* at 1346. A “composite mark” incorporates “separable words, phrases and/or designs into a single mark.” *Id.*

5. *Id.* at 1349.

6. *Id.* at 1350. These goods included “potpourri, tableware made of precious and nonprecious metals, lamps, clocks, art prints, paper products, residential furniture, dinnerware, glassware, bedding and carpets.” *Id.*

7. See *id.*

geographically deceptively misdescriptive, the PTO examiner refused registration of these goods.⁸ Appellant requested reconsideration by the PTO, which was granted; however, the PTO affirmed its previous decision by forbidding Appellant to register.⁹ Appellant then proceeded to the Board, where Save Venice's trademark was again denied.¹⁰ On appeal, the United States Court of Appeals for the Federal Circuit *held* that Appellant's composite mark was primarily geographic in nature and would expressly deceive the American consumer into believing that the goods originated in Venice, Italy. *In re Save Venice New York, Inc.*, 259 F.3d 1346, 1349 (Fed. Cir. 2001).

II. BACKGROUND

According to 15 U.S.C. §§ 1051-1127 (Lanham Act), a trademark is "any word, name, symbol, or device, or any combination thereof" adopted and used by a manufacturer or merchant to identify his goods and distinguish them "from those manufactured or sold by others."¹¹ These trademarks are used in commerce:

- (a) on goods when it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto and the goods are sold or transported in "commerce";
- (b) on services when it is used or displayed in the sale or advertising of services and the services are rendered in "commerce," or the services are rendered in more than one state or in this and a foreign country and the person rendering the services is engaged in commerce in connection therewith.¹²

Consumers benefit from trademarks, as they allow purchasers "to establish symbols and a vocabulary upon which selections among various goods, services, and businesses can be made."¹³

Most federal legislation relating to trademarks is embodied in the Lanham Act. In the United States, trademarks and service marks can be registered with the PTO, with individual states, or any combination thereof, to provide evidence of ownership in subsequent disputes.¹⁴ According to section 2(e)(3) of the Lanham Act:

8. *Id.*

9. *Id.*

10. *Id.*

11. Lanham Act, 15 U.S.C. § 1127 (2000).

12. PETER D. ROSENBERG, PATENT LAW FUNDAMENTALS § 4.02 (2d ed. West Group 1997) (emphasis omitted).

13. CARBO, *supra* note 2, at 20.

14. *See id.* at 21.

No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it—(e) Consists of a mark which . . . (3) when used on or in connection with the goods of the applicant is primarily geographically deceptively misdescriptive of them. . . .¹⁵

This notion of a mark being “geographically deceptively misdescriptive” is a rather rare occurrence within the spectrum of trademark violations, but is becoming more prevalent with the rise of globalization and international trade. The following example will further clarify this type of trademark violation. Oil Inc., an American company fabricating olive oil in Pennsylvania using only American-made products, cannot claim its product is “Tuscan Olive Oil.” This is not permitted because the average American consumer is probably aware of Tuscany, Italy, and the high quality such an appellation engenders. By using “Tuscan” in its name, Oil Inc. has deceptively enticed the consumer into thinking its product has some connection to the prized Italian olive groves.

III. NOTED DECISION

The Board used a two-prong test to determine whether a mark is primarily geographically deceptively misdescriptive.¹⁶ This test required the examiner to prove that: “(1) the mark’s primary significance is a generally known geographic location; and (2) consumers would reasonably believe the applicant’s goods are connected with the geographic location in the mark, when in fact they are not.”¹⁷

Because the validity of the Board’s adaptation of the related goods test to geographic marks is a question of law, the instant court reviewed the Board’s previous decision *de novo*.¹⁸ It should be noted that determining if the related goods test is an appropriate test for trademark registrability revolves around the interpretation of the Lanham Act.¹⁹ Therefore, the court, without deference to the Board, independently determined whether or not the related goods test is applicable to geographic marks.²⁰

15. 15 U.S.C. § 1052(e)(3).

16. *In re Save Venice New York, Inc.*, 259 F.3d 1346, 1352 (Fed. Cir. 2000).

17. *Id.* (citing *In re Wada*, 194 F.3d 1297, 1300 (Fed. Cir. 1999)).

18. *Id.* at 1351-52 (citing *Recot, Inc. v. M.C. Becton*, 214 F.3d 1322, 1327 (Fed. Cir. 2000)).

19. *See id.* at 1355.

20. *Id.*

The first prong of the test determines whether the primary significance of the mark is a generally known geographic location.²¹ Appellant's proposed composite mark was evaluated as a whole.²² However, the examiner considered the significance of each component while assessing the composite mark as a whole.²³ The Board found the phrase "THE VENICE COLLECTION," in large lettering at the top of the mark, and "SAVE VENICE, INC.," at the bottom of the mark, to be "unmistakable reference[s] to Venice, Italy."²⁴

After determining that the trademark clearly referred to Venice, Italy, the Board concluded that this Italian city was particularly well-known to American consumers.²⁵ Additionally, the Board determined that the entire presentation of the trademark, namely, the verbal references to "Venice" and the corresponding image of the Lion of St. Mark, could strongly be identified with the Italian city.²⁶ After a careful analysis using various published sources,²⁷ the examiner determined that there were striking similarities between Appellant's proposed trademark and the winged Lion of St. Mark found on the official Venetian flag, on Veneto's regional flag, and in the various statues throughout Venice, Italy.²⁸ The Board examiner provided adequate evidence to establish a prima facie case that the "primary significance of the applicant's composite mark is geographic, namely that the mark primarily signifies Venice, Italy."²⁹

Appellant argued that the examiner did not establish a prima facie case of a geographically deceptively misdescriptive trademark.³⁰ By arguing that the strongest part of the proposed trademark is its "previously registered and incontestable service mark"³¹ ("SAVE

21. *Id.* at 1352.

22. *Id.* (citing *Estate of P.D. Beckwith, Inc. v. Comm'r of Patents*, 252 U.S. 538, 545-46 (1920)); *In re Dial-A-Mattress Operating Corp.*, 240 F.3d 1341, 1345-46 (Fed. Cir. 2001).

23. *Id.* (citing *In re Nat'l Data Corp.*, 753 F.2d 1056, 1058 (Fed. Cir. 1985)).

24. *Id.*

25. *Id.*

26. *Id.*

27. *See id.* The examiner apparently used a gazetteer, encyclopedia, published books, and Web sites for its analysis. *Id.*

28. *Id.* Additionally, the examiner discovered that the Lion-clad flag symbolized the city of Venice itself since the ninth century. *Id.*

29. *Id.* at 1352-53.

30. *See id.* at 1353.

31. *Id.* To be statutorily incontestable, a trademark has to be registered on the Principal Register and in continuous use for five years. *See* 15 U.S.C. § 1065 (2000). A statutorily incontestable trademark allows the registrant to depend on its official registration as evidence of its validity and registration of the mark; additionally, it also proves the registrant's ownership and "exclusive right to use the mark . . . in connection with the goods or services" listed on the registration. *Id.* § 1115(b).

VENICE”), Appellant contends that the American consumer would associate the proposed mark with its fundraising activities rather than with the city of Venice.³² It should be noted that there is no distinctiveness for registered marks on goods other than those previously registered.³³ The Federal Circuit held in *In re Loew’s* that the incontestable trademark DURANGO for the applicant’s cigars was found to demonstrate the distinctiveness of DURANGO chewing tobacco.³⁴ An incontestable registered trademark is incontestable only in terms of the goods or services registered in its particular registered form.³⁵ Similarly, the Federal Circuit held in *In re Merrill Lynch* that the applicant’s registration of a service mark for its cash management account did not allow its registration for broader financial services to be incontestable as well.³⁶

In the instant case, Appellant’s proposed composite mark was completely distinctive from the one originally registered under the “SAVE VENICE” mark.³⁷ As precedent dictates, this incontestable service mark, used for fundraising services, added no distinctiveness to its appealed composite mark for the nine international classes of consumer goods at issue.³⁸ The court continued its analysis of the Board’s assessment of the composite mark’s graphic and linguistic strength.

The Board regarded the previously registered incontestable portion of the mark to be an insignificant part of the trademark.³⁹ More specifically, “THE VENICE COLLECTION” in large lettering at the top of the trademark dominated the composite mark, in comparison to the phrase “SAVE VENICE, INC.” in small font at the bottom of the mark.⁴⁰ The Board determined that in addition to “THE VENICE COLLECTION,” the image of the Lion of St. Mark equally dominates the composite mark.⁴¹ As a result, the court affirmed the Board’s determination that the phrases and design of Appellant’s proposed composite mark were primarily geographic.⁴²

32. See *In re Save Venice*, 259 F.3d at 1353.

33. See *In re Loew’s Theatres, Inc.*, 769 F.2d 764, 769 (Fed. Cir. 1985).

34. *Id.*

35. See *In re Merrill Lynch*, 828 F.2d 1567, 1568-69 (Fed. Cir. 1987).

36. *Id.*

37. *In re Save Venice*, 259 F.3d at 1353.

38. *Id.*

39. See *id.*

40. *Id.*

41. *Id.*

42. *Id.*

The second prong of the test, codified in section 1052(e) of the Lanham Act,⁴³ determines whether the public would incorrectly assume the goods associated with the mark correspond with the particular geographic location.⁴⁴ Frequently referred to as the “goods/place association” test, it states that if the public does not reasonably associate the goods with the geographic location connotatively indicated by the mark, “the public is not deceived and the mark is accordingly not geographically deceptively misdescriptive.”⁴⁵ To establish this goods/place association test, the examiner has the initial burden of providing sufficient proof of public association.⁴⁶ In response, the applicant may rebut the examiner’s assessment by providing additional evidence proving the public would not identify the goods with the geographic location indicated by the mark.⁴⁷

In the instant case, the Board examiner used a gazetteer and an encyclopedia to determine “that Venice, Italy is known for glass, lace, art objects, jewelry, cotton and silk textiles, printing and publishing.”⁴⁸ The court agreed that the Board examiner adequately established a prima facie goods/place association with the goods and famed Italian city of gondolas and waterways.⁴⁹ The Federal Circuit previously held that the examining attorney need not demonstrate the level of fame a geographical location may have, but rather must demonstrate the high possibility that the goods in question will be associated with the corresponding location.⁵⁰

Appellant attempted to rebut the examiner’s determination of adequately satisfying the goods/place association by submitting a declaration.⁵¹ In this declaration, the Appellant’s executive director asserted that she was personally aware that none of Appellant’s goods were manufactured or sold in Venice, Italy.⁵² The Board regarded this evidence as self-serving to Appellant’s needs and truly unrepresentative of the American consumer’s perspective.⁵³ The Board continued its criticism of Appellant’s submission and concluded that the statement that

43. 15 U.S.C. § 1052 (e)(3) (2000).

44. See *In re Société Générale des Eaux Minérales de Vittel, S.A.*, 824 F.2d 957, 959 (Fed. Cir. 1987).

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

46. *In re Save Venice*, 259 F.3d at 1354.

47. *Id.*

48. *Id.*

49. See *id.*

50. See *In re Compagnie Général Maritime*, 993 F.2d 841, 844 (Fed. Cir. 1993).

51. See *In re Save Venice*, 259 F.3d at 1354.

52. *Id.*

53. *Id.*

its goods could not be purchased in Venice “strained [the] credulity” of Appellant.⁵⁴ The PTO and the Board act as the finders of fact in determining credibility and weighing evidence.⁵⁵ The Board regarded the evidence provided by Appellant’s executive director as “biased, unrepresentative of the relevant public’s perceptions, and not credible.”⁵⁶ As a result, Appellant failed to rebut the examiner’s prima facie case.⁵⁷

In response to the overwhelming evidence of “glass, lace, art objects, jewelry, cotton and silk textiles, printing and publishing” for which Venice is known, the Board believed it was best to separate these famous goods into two groups.⁵⁸ The first group consisted of those goods identical to traditional Venetian products; the second group was reserved for products that were similar to the traditional Venetian products.⁵⁹ Concerning the first group, the Board believed that American consumers would associate many of Appellant’s goods with Venice, Italy.⁶⁰ The Board further determined that Appellant’s (1) “decorative items and tableware made of precious metals” were practically akin to Venice’s “art objects,” (2) textile goods “overlapped Venice’s ‘cotton and silk textiles’ industries,” and (3) art reproductions resemble Venice’s “art objects” and “printing.”⁶¹ The court affirmed the Board’s determination that the goods in the first category met the goods/place association test.⁶²

Concerning the second category of goods, the Board conceded that the evidence was not adequate to satisfy the direct goods/place association.⁶³ However, the Board deemed that the goods included in this group reflected “product types, decorative themes and material compositions” that American consumers would understandably associate with Venice.⁶⁴ When applied to geographic marks, the “related goods” test measures whether a reasonably attentive consumer will believe that “non-competitive but related goods sold under similar marks derive from the same source, or are affiliated with, connected with, or sponsored by the same trademark owner.”⁶⁵

54. *Id.*

55. *Refac Int’l v. Lotus Dev. Corp.*, 81 F.3d 1576, 1582 (Fed. Cir. 1996).

56. *In re Save Venice*, 259 F.3d at 1354.

57. *Id.*

58. *Id.*

59. *Id.*

60. *Id.*

61. *Id.*

62. *Id.*

63. *Id.*

64. *Id.*

65. *Id.* at 1355 (citing *Giant Food, Inc. v. Nation’s Foodservice, Inc.*, 710 F.2d 1565, 1560 (Fed. Cir. 1983)).

The court upheld the decision of the Board and refused to allow Appellant to register its proposed composite mark. The court agreed with the Board that "certain derivative 'related goods' carrying a distinctive geographic mark would likely confuse consumers as to the source of the 'related goods.'"⁶⁶ Therefore, the court unequivocally held that Appellant's proposed composite trademark was primarily geographically misdescriptive.⁶⁷

IV. ANALYSIS AND CRITICISM

The court reached a fair and correct decision in this case. Although many American consumers may believe such a lengthy investigation is frivolous and that the legal determination will not affect the average spender's decision to purchase Appellant's goods, a thorough investigation is nonetheless important. The court carefully ensured that the proposed trademark was a geographically deceptive attempt by this corporation to increase sales.

Although these particular violations are not as common as the other existing trademark violations, the rise in international trade and international travel among consumers has increased the frequency of these violations over the past fifty years. This direct relationship makes intuitive sense: as a greater percentage of the population travels, the recognition of international cities and landmarks increases as well. Even those who do not travel are familiar with international landmarks because of their appearance in television, movies, travel sections in newspapers, etc. This increased knowledge may tempt manufacturers to incorporate familiar geographical descriptions into the marketing of their goods, especially through the trademark. This explains why geographical trademark violations have become more common.

The implications of *In re Save Venice* are twofold. First, Appellant's goods aimed to preserve and restore the cultural treasures of Venice, Italy, but seemingly ironically, the Board would not permit registration of its trademark because of the concern over whether or not American consumers would believe these goods originated in Venice.⁶⁸ It may seem that the court's reasoning is counter-intuitive. If the New York corporation's purpose of selling its products was to provide financial support in order to preserve the cultural treasures of Venice, why would the Board be concerned with the technicalities over a trademark which

66. *Id.*

67. *Id.* at 1356.

68. *Id.* at 1351.

may be deceptive geographically? One might argue that Venice is ultimately benefiting from these New York-based commercial transactions, so the U.S. government should not be concerned about possible consumer misrepresentations. Second, *In re Save Venice* follows the Lanham Act's recently enacted test for geographic trademarks.

Prior to the North American Free Trade Agreement (NAFTA) Amendments to the Lanham Act in 1993, if the mark used was "primarily geographically deceptively misdescriptive," it could (1) be registered with the Principal Register in cases in which a showing of secondary meaning was made under § 2(f) or (2) be placed on the Supplemental Register if such a showing could not be made.⁶⁹ Enacted on December 8, 1993, as part of U.S. implementation of NAFTA, the Lanham Act did not allow the registration of any term that is "primarily geographically deceptively misdescriptive."⁷⁰ After *In re Save Venice*, the focus will shift from whether the misdescriptive geographic term is outright "deceptive" under § 2(a) to whether there is a "goods/place" association, making the term "primarily geographically deceptively misdescriptive" and thus impossible to register after December 1993.⁷¹ What if this case had been decided prior to the 1993 amendments to the Lanham Act? As a result of this legislation, this geographic term in the instant case cannot be registered, whereas prior to 1993, there would have been a possibility of its registration.

The impetus of this new classification system was NAFTA in 1993. Moreover, the impetus to NAFTA was the need to promote free trade among Canada, the United States, and Mexico. It should be clear now that such a restriction is needed because our government officially reduced importation/exportation taxes on trade between the United States and our neighbors to the North and South. Without these limitations, Mr. Smith in Watertown, New York, may name his mediocre maple syrup manufactured in upstate New York "Canadian Sweetness" in hopes of alluring more American consumers to buy its geographically deceptively-named product.

In the above syrup example, it is important to remember the parties who are affected by such a trademark. In essence, there are three parties: the American consumer, the American manufacturer, and the Québécois fabricants of Canadian syrup. Prior to 1993, such an appellation may

69. See J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 14:13 (4th ed. 2001).

70. *Id.*

71. See *id.*

have been registered depending on whether the Board would have deemed it outright deceptive. In this scenario, the American consumer is duped into thinking this mediocre syrup is manufactured using Canadian trees, which have a fine reputation in the maple syrup industry. Our Canadian friends are equally disadvantaged because, prior to 1993, trade between the United States and Canada was less open than it is today. Therefore, the American consumer, enticed by the American-made syrup with the Canadian misnomer, will likely select the more economical product; prior to NAFTA, an import-laden bottle of Canadian syrup could not compete with its cheaper American competitor. The only party who benefits from this deceptively named product is the product's manufacturer itself. Therefore, it is clear as to why this more stringent regulation was enacted: the purpose of NAFTA would be thwarted without such a limitation.

The *In re Save Venice* court discussed whether the related goods test is an appropriate test for trademark registrability.⁷² As previously stated, this issue is a question of law, which the court reviewed de novo.⁷³ The legislative history of this test is important to consider.

In continuing with the court's consideration of whether the related goods test is applicable to geographic marks, the court discussed the importance of geographic regions and their distinctive reputations. It is understood that certain geographic locations are noted for specific products or services, and as a result, these locations expressly "promote and adapt their specialties to fit changing consumer needs."⁷⁴ The court further stated that it is not unreasonable to expect, for example, a modern merchant of Venice to "expand on the traditional Venetian products listed by the Board, to begin marketing products or services related to such goods."⁷⁵ The court stated that the public does not religiously limit its image of a geographic location with its traditional products or services.⁷⁶ Because consumers believe that geographical regions will "expand from their traditional goods or services into related goods or services," the court felt justified in relying on the related goods test.⁷⁷ As a result, the court held that feasibility of registering a geographic trademark may be affected by its relation to the public's association of that particular region with (1) its traditional goods and (2) any related goods or services a

72. See *In re Save Venice*, 259 F.3d at 1355.

73. *Id.*

74. *Id.*

75. *Id.*

76. See *id.*

77. *Id.*

reasonable consumer would believe to originate in this particular area.⁷⁸ The court concluded the purpose of this test is to determine whether consumers will likely be “confused by the source of the related goods identified by a distinctive geographic mark.”⁷⁹ This test seems to protect both the consumer and the merchant from a particular geographic region.

V. CONCLUSION

The current political and economic international trends forecast further definition of the goods/place association test. NAFTA prompted more stringent standards in the Lanham Act; freer trade between the United States and other areas of the world may further restrict the registration of trademarks. As our economy becomes more global, it will be interesting to see what issues are raised and how these new issues affect geographic trademarks. The language factor in international trade may further define the Lanham Act. For instance, if a Russian manufacturer of vodka exports its product to the United States, is it reasonable to assume that the average American consumer can recognize the word “vodka” in Cyrillic?

Precedent will serve a far greater role in the development of future geographic trademark litigation than it did prior to 1993. As previously stated, the 1993 NAFTA amendment to the Lanham Act erased a simplistic bright line test and confounded it with the goods/place association test. Although this revision is more well-defined than its vague predecessor, it nonetheless depends upon the opinions of an average American consumer. As illustrated by the above vodka example, the average American consumer in Brighton Beach, New York, will react differently to this product than someone from Kansas City, Missouri.⁸⁰ Because Americans travel internationally more than their grandparents and because trade with various foreign nations is at its highest level yet, it is imperative that examiners be particularly astute when faced with possible geographic trademark violations. Their decisions today will help determine the trademark legislation of tomorrow.

Melissa Elwyn*

78. *Id.*

79. *Id.*

80. Brighton Beach, New York, is an area of Brooklyn, New York, that is heavily populated by recent Russian immigrants and Russian-Americans.

* J.D. candidate 2003, Tulane Law School; B.A., Vassar College.