

The background is a dark blue gradient with a subtle pattern of white dots. Overlaid on the left side are several concentric circles and a large circular scale with numerical markings from 140 to 260. Some circles have arrows indicating a clockwise direction.

CASE LAW FROM COSTA RICA: THE MANCHEGO CHEESE CASE

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VOTING NO. 0702-2014

ADMINISTRATIVE REGISTRATION TRIBUNAL. SAN JOSÉ,
COSTA RICA



NATIONAL REGISTER:

- A decentralized authority attached to the Ministry of Justice.
- Includes the 2 Intellectual Property Registries:
 - Industrial Property Register (patents, trade marks and other distinctive signs (IGs etc.);
 - Copyright Register.
- <http://www.registronacional.go.cr/>

ADMINISTRATIVE REGISTRATION TRIBUNAL:

- Created in October 2000
- functional and administrative independency attached to the Ministry of Justice
- to decide appeals of the resolutions of the public register, exhaustion of administrative remedies.
- Its resolutions are seldom object of judiciary review (contentious administrative procedure against the State)
- <https://www.tra.go.cr/>

THE MANCHEGO CHEESE CASE

- Costa Rica - Judgment - WIPO Lex No. CR082-j
- Voting No 0702-2014, Administrative Registration Tribunal, Vote of October 14, 2014
- FINAL RESOLUTION
- File No. 2014-0074-TRA-IP :
<https://wipolex.wipo.int/en/text/95>

Opposition to the registration as a GI of the SIGN MANCHEGO ,
accumulated with applications for registration as trademarks of
the signs MANCHEGO LOS ALPES (design), TYPE CHEESE MANCHEGO
MONTEVERDE (design), and DOS PINOS MANCHEGO (design)
Cooperative of Milk Producers Dos Pinos RL and others, appellants
Industrial Property Registry (case files N ° 2013-1065, 2013-
5916, 2013-5923 and 2013-6384)

Trademarks and other signs

VOTING NO. 0702-2014







APPLICANT FOR REGISTRATION AS A GI OF THE CHEESE MANCHEGO

- the Delegation of the European Union to the Republic of Costa Rica,
- In accordance with:
- the Partnership Agreement between Central America and the European Union (hereinafter AACUE), Title VI and Annex XVII called List of Names for which protection is sought as GI in the Territory of the Parties,
- Art. 21 of the Regulations under the Provisions on GI , contained in the Law on Trademarks and Other Distinctive Signs, No. 7978 of January 6, 2000, and
- The Executive Decree No. 33743-COMEX-J (hereinafter RIGED), and Article 76 of the Law on Trademarks and Other Distinctive Signs, No. 7978 (hereinafter referred to as the Trademark Act),

OPPONENTS: PRODUCTOS LACTEOS LOS ALPES SA,
PRODUCTORES DE MONTEVERDE SA AND DOS PINOS
COOPERATIVE

in accordance with Art. 17 of the Trademark Act they applied for registration of the trademarks in class 29 to distinguish Manchego cheese (files 2013-5916, 2013-5923 and 2013-6384).

The Cooperative of Milk Producers Dos Pinos RL indicates it does not reserve the word MANCHEGO.

All applications have been accumulated.

RESOLUCION OF THE REGISTER OF INDUSTRIAL PROPERTY

- by a resolution of 13:42:12 hours of October 24, 2013, rejected the oppositions raised and to welcome the registration of the GI requested by the European Union, also refused trademark applications from opposition companies.
- the opposing companies appealed the final decision mentioned above; remedies that were admitted to the Court

FIRST. AS TO THE FACTS TESTED:

- 1 –The term CHEESE MANCHEGO is officially recognized in Spain as an appellation of origin for cheese, according to Order of December 21, 1984, which ratifies the Regulations under the appellation of origin (Folio 6).
- 2 -In the European Union, the term CHEESE MANCHEGO is officially recognized as a geographical indication for agricultural products and foodstuffs (foliage 239 -243).

SECOND. AS TO FACTS NOT TESTED.

- 1 -The term CHEESE MANCHEGO is widely known to the consumer and the Costa Rican commercial media as a common or generic name for the name of cheese.
- 2 -that there is a lack of awareness of the general public that the term CHEESE MANCHEGO is a distinctive sign that designates a specific geographical origin and quality of cheese.

GRIEVANCE FILED BY DOS PINOS COOPERATIVE

Acquired rights: use the term MANCHEGO in good faith for 17 years

The Law allows registered trademarks to contain GIs

No intention to deceive the consumer, the label is not associated with Spanish products

Granting the GI would lead the consumer to confuse their products marked as a CHEESE by MANCHEGO, a situation of unfair competition (taking advantage of the market that national producers have opened for this cheese)

The use of CHEESE MANCHEGO has weakened the GI

An enforceable criterion for registering the GI is that it is recognized by the consumer public and that it is derived not only from the geographical origin but the characteristics of the product, so that it may be distinguished from other products of the same kind but from different locations

The brand they developed is very valuable at the commercial level.

PRODUCTOS LACTEOS LOS ALPES SA AND PRODUCTORES DE MONTEVERDE: SIMILAR AGGRIEVED STATEMENT BEFORE THE COURT

mistaken in analyzing Articles 246, paragraphs 3 and 4 of the AACUE and 75 of the Trademark Act as to good faith in the use of generic or common use terms used in a GI that the term CHEESE MANCHEGO is generic since the Customs Control Information Technology System was able to determine that a number of companies import this cheese into Costa Rica, and it comes not only from Spain but also from the United States of America

since 2004 they have been using the label, which is recognized chefs in the Costa Rican medium, prescriptions that include Manchego cheese as an ingredient,

Phenomenon of generalization of the common names of cheeses.

FOURTH. ON THE FUND. SCOPE OF PROTECTION OF GEOGRAPHICAL INDICATIONS IN COSTA RICA.

- The Trademarks Act, in its Article 2, defines GI:
- "an indication identifying a good as originating in the territory of a country, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin. Any sign or combination of signs, in any form, shall be capable of constituting a geographical indication."
- As such, legal protection does not only refer to national geographical indications, but also to those originating from abroad.

ESSENTIAL QUALITIES OF GIS

- GI as public good belonging to the national or regional collectivity. Its guardianship usually belongs to public authorities or to the State. It is considered part of the national heritage.
- The right to commercially use an appellation of origin May be attributed to the persons or entities that comply with national regulations and the rules applicable to each denomination.

PUBLIC INTEREST INVOLVED

- The granting of GIs is of great interest to the whole community. They are important for the development not only of the region's economy but impacting their country. GIs allow for a certified quality differentiation of the products concerned at both the national and international markets.
- The increasing use of GIs in international markets has exacerbated the need of adequate legal instruments to prosecute behavior in markets that are contrary to the veracity and transparency that should govern trade.

RIGDO ART. 24. THE SCOPE OF PROTECTION AND GUARANTEES THAT COSTA RICA GRANTS TO GIS

GIS ARE PROTECTED AGAINST:

- (a) the commercial, direct or indirect use of the denomination to the extent that such use would take advantage of the reputation of the GIs;
- (b) usurpation, imitation, or evocation, even if the true origin of the good or service is indicated, or if the indication or denomination is translated or accompanied by a clarifying or non-binding expression such as: "genus", "type", "method", "style", "imitation" or other similar expression;
- (c) the use of any kind of false or misleading indications concerning the source, origin, nature or essential characteristics of the same or similar goods or services as those designated by the GI , WHEN may cause a risk of confusion or association with the GI, or misuse of reputation or prestige; and
- (d) any other practice liable to mislead consumers as to the true origin of the good or service. A registered GI cannot be considered as a generic denomination while protection in the country of origin is in force. "

PARIS CONVENTION (HEREINAFTER CUP), OF WHICH COSTA RICA IS A PARTY, 10 BI

- " Article 10 bis
- 1 (a) countries of the Union are obliged to ensure effective protection against unfair competition of nationals of the countries of the Union.(...)
- 3 (b) In particular, the following shall be prohibited(...)
- 3. indications or allegations the use of which in the course of trade is liable to mislead the public as to the nature, manner of manufacture, the characteristics, the suitability for the use or the quantity of the goods. " .

THE TRIPS, ART 22 ESTABLISHES IN RELATION TO GIS:

- " 1. GIs identify a product as originating in the territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin.
- 2. Members shall prevent:
 - (a) the use of any means which, in the designation or presentation of the product, indicate or suggest that the product in question comes from a geographical region other than the true place of origin, so as to mislead the public as to the geographical origin of the product;
 - (b) any other use which constitutes an act of unfair competition within the meaning of Article 10 bis of the Paris Convention (1967).
- 3. Any Member, ex officio if its legislation so permits, or at the request of an interested party, shall refuse or invalidate the registration of a trademark which contains or consists of a geographical indication in respect of goods not originating in the territory indicated, if the use of such indication in the trademark for such goods in that Member is of such a nature as to mislead the public as to the true place of origin.

THE AACUE, ARTICLE 246: PROTECTION TO GIS

- " 1. GIs listed in Annex XVIII, as well as those added in accordance with Article 247, shall, at a minimum, be protected against:
 - (a) the use of any means which, in the designation or presentation of the product, indicate or suggest that the product in question comes from a geographical area other than the true place of origin, so as to mislead the public as to the geographical origin of the product;
 - (b) the use of a protected geographical indication for the same products not originating in the place designated by the geographical indication concerned, even where the true origin of the product is indicated or the geographical indication is used or accompanied by expressions such as "style", "type", "imitation", "like" or similar;
 - (c) any other practice which mislead the consumer as to the true origin of the product or other use which constitutes an act of unfair competition within the meaning of Article 10 bis of the Paris Convention.
- 2. A geographical indication to which protection has been granted in one of the Parties, in accordance with the procedure set out in Article 245, cannot be considered to have become generic, provided that it is protected as a geographical indication in the Party of Origin.

THE AACUE, ART. 246. PROTECTION LIMITATION:

- 3. Where a GI contains a name that is considered to be generic in a Party, the use of that generic name in the appropriate product in that Party shall not be considered to be contrary to this Article.
- 4. For other GIs other than wines and spirits, nothing in this Agreement shall be interpreted as requiring a Party to prevent continued and similar use of a given geographical indication of another Party in relation to goods or services, by one of its nationals or residents who have used that geographical indication in good faith and on a continuous basis for those same goods or services, or other related goods, in the territory of that Party, before the date of entry into force of this Agreement. "

FIFTH. REGISTRATION AS A GI OF THE SIGN "MANCHEGO CHEESE" AND REGISTRATION AS TRADEMARKS OF SIGNS REQUESTED BY OPPOSING COMPANIES.

- The GI has a generic part according to Art. 71 Trademark Act, 246.3 AACUE that is the term cheese, while MANCHEGO is the distinctive part that is protected.
- Based on Articles 7 (j) and 8 (a) of the Trademark Act, it is not allowed the registration of a sign where the sign is likely to cause deception or confusion among consumers in respect of the goods marketed by the registered sign.
- The accreditation of the protection GI of MANCHEGO cheese in Spain, since 1984.
- In the case of foreign geographical indications, what was done by the Costa Rican State was not a procedure to grant but a procedure for the recognition of the GI already granted in its country of origin.

ART 38 OF TRADEMARK LAW: CANCELLATION DUE TO GENERALIZATION OF THE TRADEMARK

... when the owner has caused or tolerated it becoming the generic name of one or more of the products or services for which it is registered” .

- A brand has become a generic name when, in the commercial media and for the public, it has lost its distinctive character as an indicator of the business origin of the product or service to which it is applied. The following facts must occur:
 - a) The absence of another suitable name to designate, in commerce, the product or service to which the brand is applied.
 - b) The generalized use of the brand, by the public and in the commercial media, as a common or generic name of the respective product or service.

NO GENERALIZATION OF THE TERM MANCHEGO

- The facts of art. 38 of Trademark Act are not present :
- the characterization of this cheese as a mature cheese is defined precisely with the term mature, which is the suitable form to describe the cheese.
- with respect to subparagraphs (b) and (c), there was no evidence that there was widespread use of MANCHEGO as a generic for mature cheese, or that there was a lack of awareness among the public of the use of MANCHEGO as an indicator of geographical origin and quality.
- On the contrary, it is proven that, since the mid-1980s, this term is a protected appellation of origin in Spain and also enjoys the same legal protection before the European Union.
- When the appellants started marketing their product, CHEESE MANCHEGO was not only recognized as a product originating in a specific geographical area and with a certain quality and characteristics, but also had legal recognition and the business decision to commercialize it under the name of MANCHEGO does not eliminate the fact that it could also have been filed with the public as mature cheese, article 38 (a) of the Trademark Act.

ARTICLE 75.- PROHIBITIONS FOR REGISTRATION OF A GI THAT:

- c) Whether it is the common or generic name of a product. It is considered common or generic, when it is considered as such by connoisseurs of this type of product and by the general public.
- d) Is liable to cause confusion with a trademark or a geographical indication or designation of origin that is the subject of a pending application or registration in good faith.
- e) Is liable to cause confusion with a trademark or a geographical indication or designation of origin, used from a previous date by a third party with a better right to obtain its registration, in accordance with article 17 of this Law, for the same products or different services or products or services, but likely to be associated with those distinguished by the respective brand, geographical indication or designation of origin in use.
- A denomination of origin or a geographical indication may be registered together with the generic name of the respective product, or an expression related to this product; but the protection will not extend to the generic name or to the expression used.
- (As amended by article 1, section m) of Law No. 8632 of March 28, 2008)

CORE CONSIDERATIONS FOR REJECTING THE TRADEMARKS:

- The trading the term MANCHEGO generate confusion to the consumer since manchego in Spanish means relative of La Mancha, the consumer is lead to associate the product to that region in Spain.
- The use of the term “Tipo” (imitation, style, etc) if forbidden in Art. 72 of the Trademark Act.

ADDITIONAL CONSIDERATIONS BY JUDGE SUAREZ

- Don Quixote de la Mancha is of mandatory study for high school studies: strong association of the public of the term Manchego with that Spanish Region. MANCHEGO is an adjective that means natural from La Mancha.
- The decision 6924-97 of the High Administrative Court Tribunal indicated to business environment that the term MANCHEGO is associated to a geographic origin, and the use of this term in trademark is forbidden since it might generate confusion to the consumer.
- The opponent Dos Pinos has indicated that the MANCHEGO cheese in Spain is produced with a particular sheep milk and the one in Costa Rica with cow milk. This situation might aggravate the risk of confusion of the consumer, and the priority of the law is precisely the protection of the consumer against confusion. This intension of generate that confusion is clear in the application of Monteverde using elements that evoke precisely Don Quixote de la Mancha.
- Because of this it is not possible to apply in this case art- 246-4 of the AACUE 246.4