

POSITION PAPER

THE LEGAL FRAMEWORK

ON THE SCOPE OF PROTECTION OF GIs

I. INTRODUCTION

In the absence of harmonization on the subject, the scope of protection of geographical indications for craft and industrial products in the European Union (“EU”) is currently determined exclusively by the EU Member States’ national laws and the international agreements concluded between those Member States and third countries. Among these international treaties is the Geneva Act to the Lisbon Agreement on Appellations of Origin and Geographical Indications (“**Lisbon Agreement**”), to which the European Union has recently accessed.¹

On 13 April 2022, the European Commission (“**Commission**”) adopted a Proposal for a regulation of the European Parliament and of the Council on geographical indications for craft and industrial products and amending Regulations (EU) No 2017/1001 and (EU) No 2019/1753 of the European Parliament and of the Council and Council Decision (EU) No 2019/1754 (“**CRAFT GI Proposal**”).² At the interinstitutional meeting of 3 May 2023, a provisional agreement has been reached between the Council and the European Parliament’s Legal Affairs (JURI) Committee on a draft compromise text. The Permanent Representative Committee approved this compromised text (“**Compromise Text**”) on 24 May 2023, followed by the JURI Committee on 30 May 2023. The plenary session of the European Parliament as well as the Council still have to approve the text. The vote in the Parliament is expected to intervene in July 2023.

The scope of protection of protected designations of origin and protected geographical indications (collectively referred to below as “**GIs**”) for wine, spirit drinks and agricultural products has been harmonized throughout the EU and is currently defined, respectively, by Regulations (EU) No 1308/2013, (EU) No 2019/787 and (EU) No 1151/2012 (as amended from time to time).

On 31 March 2022, the Commission adopted a Proposal for a regulation of the European Parliament and of the Council on European Union geographical indications for wine, spirit drinks and agricultural products, and quality schemes for agricultural products, amending Regulations (EU) No 1308/2013, (EU) No 2017/1001 and (EU) No 2019/787 and repealing Regulation (EU) No 1151/2012 (“**AGRI GI Proposal**”).³ The European Parliament’s International

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ECTA AISBL

Rue des Colonies 18/24,
Box 8, 8th Floor, BE-
1000
Brussels, Belgium
Tel: +32/2 513 52 85
Fax: + 32/2 513 09 14
E-mail: ecta@ecta.org
Website: www.ecta.org
(VAT BE) 0738 648 961
RLE Brussels

¹ See Council Decision (EU) No 2019/1754 on the accession of the European Union to the Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications (OJ L 271, 24.10.2019, p. 12–14), as amended by Council Decision (EU) No 2023/1051 of 22 May 2023 (OJ L 141, 31.5.2023, p. 34–37).

² COM(2022) 134 final – interinstitutional file 2022/0089 (COD).

³ COM(2022) 174 final – interinstitutional file 2022/0115 (COD).

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Trade (INTA) Committee and the JURI Committee defined their positions on this proposal on 30 and 31 January 2023, respectively. The Swedish Presidency adopted revised drafting suggestions on 3 April 2023. The Committee on Agriculture and Rural Development (AGRI), which is the responsible committee regarding this proposal, adopted its position at first reading on 3 May 2023. On 8 May 2023, the Special Committee on Agriculture within the Council approved a compromise text of the Swedish Presidency as the Council's negotiating mandate, published as 8598/23 REV2. On 1 June 2023, the European Parliament voted its negotiating position. A four-column table containing the European Parliament's and the Council's negotiating positions has been released on 5 June 2023. On 6 June 2023, the negotiations between the Commission, the Council and the European Parliament were launched at a first trilogue, followed by several technical meetings in the weeks after.

The revamp of the EU legal framework on GIs provides a good opportunity to assess the consistency and possible loopholes of the proposed provisions dealing with the scope of protection of GIs and the proposed amendments thereto.

The assessment made in this position paper relies on:

- the Commission proposals;
- the Compromise Text regarding the CRAFT GI Proposal;
- the European Parliament's and the Council's negotiating positions regarding the AGRI GI Proposal.

Where appropriate, the future legislation will be assessed in the light of the provisions which are currently in force. Subject to one exception, the EUIPO's practice and guidelines have not been taken into account, as only the Court of Justice of the EU ("**CJEU**") has authority to interpret the EU legal framework in last resort. In some respects, the EUIPO has interpreted the provisions of the current legal framework on GIs in a way which disregards the difference in wording of the existing legal provisions, without the CJEU (or the General Court of the EU) having been called upon so far to confirm whether such interpretations are correct.⁴ The CJEU's case law has been taken into consideration only where relevant for the purpose of our assessment.

It is also important to note that this position paper does not examine issues regarding the use of GIs as ingredients. This is a complex topic, that would deserve a position paper on its own. The legal issues related to the registration

⁴ It should be noted, however, that the CJEU has emphasized that the provisions of the various GI regulations dealing with the scope of protection of GIs must in principle be interpreted in such a way as to ensure that those provisions are applied consistently (judgment of 20 December 2017, Case C-393/16, Comité Interprofessionnel du Vin de Champagne v Aldi Süd Dienstleistungs-GmbH & Co OHG, EU:C:2017:991, paras 31–35).

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of trade marks comprising or evoking a GI for goods which contain that GI as an ingredient will be dealt with in a separate ECTA position paper.

Finally, it goes without saying that, as the legislative process is still ongoing, we will have to review this matter again once the final texts are available.

II. EXECUTIVE SUMMARY

ECTA very much welcomes the Commission's initiatives aimed at (further) enhancing the harmonization of the legal framework on GIs throughout the EU. We strongly believe that the setting up of a new EU-wide legal framework on craft and industrial GIs is necessary. Greater harmonization across the different sectors (wine, spirit drinks, foodstuffs) was also needed regarding so-called agricultural GIs.

However, some inconsistencies exist as to the wording of the CRAFT GI and AGRI GI Proposals, which are overall difficult to explain. We hope that the respective provisions of both proposals will be aligned with each other to the greatest possible extent in order to avoid discrepancies regarding the interpretation, and hence scope, of these provisions.

Some inconsistencies also exist on the substance of the two proposals. An example concerns the fight against GI infringements online. It is hard to justify why provisions dealing with intermediary services have been put forward in the AGRI GI Proposal, but not in the CRAFT GI Proposal.

In conclusion, while ECTA wishes to congratulate the EU institutions for the excellent job that has been done during the last months and years in this area, we do believe there is still room for improvements in several areas in the two proposal.

III. ASSESSMENT

NOTE: The new legal framework proposed by the Commission for handicraft and industrial products does not use the notion of 'designation of origin'. Hence, all provisions relate to 'geographical indications'. The situation is more complex

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regarding the new legal framework proposed for AGRI GIs. Indeed, in this proposal the distinction between ‘designations of origin’ and ‘geographical indications’ is maintained. However, Article 7(1)(a) provides that, for the purposes of Title II, *“geographical indication’, unless otherwise stated, means designations of origin and geographical indications of wine, as defined in Article 93 of Regulation (EU) No 1308/2013, designations of origin and geographical indications of agricultural products, as defined in Article 48 of this Regulation and geographical indications of spirit drinks, as defined in Article 3(4) of Regulation (EU) 2019/787, that are applied for or entered in the Union register of geographical indications referred to in Article 23”*. This explains why the provisions examined in this paper do not refer to ‘designations of origin’, but only to ‘geographical indications’ (unlike is the case in the corresponding provisions of Regulation 1151/2012 and Regulation 1308/2013).

III.A. Relationship with trade marks

- **Refusal of registration**
- **Current legal framework**

The current provisions dealing with conflicts between trade marks and earlier GIs are laid down in Article 14 of Regulation 1151/2012, Article 102 of Regulation 1308/2013 and Article 36 of Regulation 2019/787. These provisions contain an absolute ground for refusal and invalidity of trade marks conflicting with earlier GIs, which must be read and applied together with Article 7(1)(j) of Regulation 2017/1001 on the European Union trade mark and Article 4(1)(i) of Directive 2015/2436 on trade marks.

As they currently stand, the provisions of the three GI regulations are not fully consistent with each other, at least as far as their literal wording is concerned. Under the three regulations, the absolute grounds for refusal and invalidity only apply in those cases where use of the trade mark at issue would amount to one of the situations falling within the scope of protection of GIs (as set out in Article 13(1) of Regulation 1151/2012, Article 103(2) of Regulation 1308/2013 and Article 21(2) of Regulation 2019/787), thus including direct or indirect use, evocation and imitation, for instance.

However, the ground of refusal and invalidity laid down in Article 14(1) of Regulation 1151/2012 only applies where the trade mark at issue relates to a “product of the same type”. The same provision further specifies that it shall

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apply “notwithstanding the provisions of Directive 2008/95/EC” (which has in the meantime been replaced by Directive 2015/2436). Article 102(1) of Regulation 1308/2013 only applies provided the trade mark at issue relates to “a product falling under one of the categories set out in Annex VII, Part 2”, i.e. essentially wine products. No reference is made in this provision to Directive 2008/95/EC or Directive 2015/2436. No such limitation regarding the nature of the products concerned is provided in Article 36(1) of Regulation 2019/787.

Not only was the scope of protection of these provisions inconsistent; there also was uncertainty as to whether the concepts of “products of the same type” or “product falling under one of the categories set out in Annex VII, Part 2” set out in Article 14(1) of Regulation 1151/2012 and Article 102(1) of Regulation 1308/2013, on the one hand, and the concept of “comparable products” in Article 13(1)(a) of Regulation 1151/2012 and Article 103(2)(a)(i) of Regulation 1308/2013 have the same content. The notion of “comparable products” has in the meantime been defined by the CJEU (see below in this regard) in a way which seems broader than the other two concepts; however, the latter have not yet been defined by the Court.⁵

➤ **Proposals**

- Commission proposals

Article 35(1) of the AGRI GI Proposal and Article 42(1) of the CRAFT GI Proposal are worded in the same way and provide that the registration of a trade mark the use of which would contravene Article 27 or Article 35, respectively, shall be rejected if the application for registration of the trade mark is submitted after the date of submission to the Commission or the EUIPO, respectively, of the application for registration of the GI. Articles 35(2) and 42(2) are essentially identical on the substance, but worded differently: whereas the former states that “*trade marks registered in breach of paragraph (1) shall be invalidated by EUIPO and, when applicable, the competent national*

⁵ The EUIPO currently considers that, in the context of examining absolute grounds for refusal and invalidity, the protection of GIs under all EU regulations extends to goods identical to the product covered by the GI (including when such goods constitute the specific object of services such as “retail”, “wholesale”, “import/export”, “provision of drink and food”, “production of [the product covered by the GI] for others”) and goods comparable to the product covered by the GI (EUIPO, Guidelines for Examination, Part B Examination, Section 4 Absolute Grounds for Refusal, Chapter 10 Trade Marks in Conflict with Geographical Indications, 4. Situations Covered by the EU Regulations and Absolute Grounds Examinations).

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authorities”, the latter states that “the Office and, when applicable, the competent national authorities shall invalidate trade marks registered further in breach of paragraph 1”.

The proposed harmonization of the legal framework on GIs for wine, spirit drinks and agricultural products would allow to resolve the inconsistencies that have been pointed out above. This would be a welcome development.

The new provisions are aligned with Article 36(1) of Regulation 2019/787 to the extent they no longer refer to the type of goods as a relevant criterion when applying the absolute ground of refusal and invalidity. The new provisions, if adopted, would thus ‘broaden’ the scope of the absolute grounds that are currently set out in Regulations 1151/2012 and 1308/2013.

It should be noted that, if it were to be adopted, the absolute ground of refusal and invalidity enshrined in Article 35 of the AGRI GI Proposal and Article 42 of the CRAFT GI Proposal would fully overlap (and be redundant with) the relative ground of refusal set out in Article 8(6) of Regulation 2017/1001 and the relative ground of invalidity set out in Article 53 of the same regulation, as well as the relative ground of refusal and invalidity set out in Article 5(3)(c) of Directive 2015/2436, read together with Articles 27 and 35 of the AGRI GI Proposal and CRAFT GI Proposal, respectively. This is a major difference with the trade mark regime, where there are no absolute grounds for confusing similarity or taking unfair advantage of/dilution of/prejudice to the reputation of a trade mark. In practice, it is questionable whether the trade mark offices will take the full spectrum of Articles 27 and 35 into consideration when assessing trade marks under the absolute grounds for refusal and invalidity set out in Articles 35 and 42 (will they assess *ex officio* exploitation of, weakening of, dilution of or detriment to reputation, for example?).

- Proposed amendments to the Commission proposals

In its negotiating position, the European Parliament proposes to add the words “An Application for” before “the registration” in Article 35(1) of the AGRI GI Proposal. The European Parliament has also proposed a similar amendment in Article 102(1) of Regulation 1308/2013. These proposals make sense, since the trade mark offices cannot reject trade mark registrations, but only applications.

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The Compromise Text proposes to rephrase paragraphs 1 and 2 of Article 42 of the CRAFT GI Regulation as follows (the relevant provisions are now to be found in paragraphs 1 and 4 of Article 39):

‘An application for the registration of a trade mark, the use of which would contravene Article 35, shall be put on hold if this application is submitted after the date on which the application for the registration of the geographical indication has been submitted to the Office. Such trade mark application shall be rejected upon registration of the geographical indication. Where applicable, any priority claimed in the trade mark application shall be taken into account.’

‘The Office and, as applicable, the national competent authorities shall, upon, invalidate trade marks registered in breach of paragraph 1.’

In its negotiating position, the Council proposes to amend Article 35(2) of the AGRI GI Proposal so as to distinguish between the competences of EUIPO and the national trade mark offices, respectively for Union trade marks and for national trade marks:

*‘**Union** trade marks registered in breach of paragraph (1) shall be **declared invalid** by the European Union Intellectual Property Office (EUIPO) and, when applicable, **national trade marks registered in breach of paragraph (1)** by the competent national authorities.’*

Last but not least, it should be noted that, whereas in Article 81(3) of the AGRI GI Proposal the Commission proposes to delete Articles 102 and 103 of Regulation 1308/2013 (amongst others), that would become redundant with Articles 35 and 27 of the new regulation, the European Parliament has proposed to keep these provisions and to add the following paragraph to Article 102 of Regulation 1308/2013:

‘1a. Any registration in the name of a person other than the producer group of a trade mark incorporating, imitating or evoking the name protected by a geographical indication shall be rejected.’

- Comments

Overall, the new wording proposed in the Compromise Text of the CRAFT GI Proposal seems more appropriate than to one Commission’s initial proposal, for several reasons. First, again, registrations cannot be rejected; only applications can be. Second, the reference to the priority date of the trade mark

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is a valuable addition. Third, it makes sense to specify that trade marks registered in breach of the absolute ground for refusal and invalidity shall only be invalidated “upon request”, that is, in the context of an action for a declaration of invalidity, and not *ex officio*.

The Council’s proposed wording, regarding the AGRI GI Proposal, is too restrictive since Union trade marks can also be declared invalid in some cases by the national courts. The wording proposed in the Compromise Text seems, again, preferable in this regard.

Having regard to the foregoing, we would suggest rephrasing Article 35(1) and (2) of the AGRI GI Proposal and Article 42(1) and (2) of the CRAFT GI Proposal as follows:

‘1. An application for the registration of a trade mark, the use of which would contravene Article [27 OR 35, respectively], shall be rejected if the application for the registration of the geographical indication has been submitted to the [Commission OR Office, respectively] before the filing date, or priority date as the case may be, of the trade mark application.’

‘2. The Office and, as applicable, the national competent authorities shall, upon request, declare trade marks registered in breach of paragraph 1 invalid.’

It should be noted that, having regard to the cross-references, in Article 35(1) of the AGRI GI Proposal and Article 42(1) of the CRAFT GI Proposal, to Articles 27 and 35, respectively, of the same proposals, the wording of Articles 27 and 35 has an impact on the scope of Articles 35 and 42. Consequently, the difference in wording between Article 27 and Article 35 may bring about divergences in terms of scope of protection of Articles 35(1) and 42(1). We refer in this regard to the next section of this position paper where a slight inconsistency regarding the wording of Articles 27 and 35 is pointed out.

Finally, the European Parliament’s proposal not to delete Articles 102 and 103 of Regulation 1308/2013 is surprising. Indeed, the Parliament has not proposed any amendments to Article 5(1) of the Commission proposal, which states that Title II ‘Geographical Indications’ (i.e. Articles 5 to 53) covers wine, spirit drinks and agricultural products. If the European Parliament’s proposals were to be adopted, Article 102 and 103 of Regulation 1308/2013 would then overlap with several provisions of the new regulation, including Articles 35 and 27. This would lead to inconsistencies. There does not seem to be any valid reason for

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strengthening the scope of protection of GIs regarding conflicts with trade marks in the wine sector and not in the others. In order to align the scope of protection of GIs throughout the different sectors (wines, spirit drinks and foodstuffs), the new provision put forward by the European Parliament should, if at all, be included in Article 27 of the AGRI GI Proposal (and, for the sake of consistency, in Article 35 of the CRAFT GI Proposal), rather than in Article 102 of Regulation 1308/2013.

If adopted, this new provision would then prevent the registration, in the name of a person other than the producer group, of any trade mark incorporating or evoking a GI for wine, regardless of whether use of the trade mark would contravene Article 103(2) of Regulation 1308/2013. This would also put an end to EUIPO's current practice which is to accept the registration of such marks when the products covered by the trade mark application comply with the product specification of the GI at issue.⁶

- **Coexistence with earlier marks**

- **Current legal framework**

Article 14(2) of Regulation 1151/2012, Article 102(2) of Regulation 1308/2013 and Article 36(2) of Regulation 2019/787 already contain provisions dealing with the coexistence of GIs with earlier trade marks. Those provisions are aligned with each other.

- **Proposals**

- Commission proposals

The Commission proposals do not propose any substantive modification to the current legal framework on this subject.

Article 35(3) of the AGRI GI Proposal and Article 42(4) of the CRAFT GI Proposal still allow earlier marks to coexist with a GI in some circumstances even when use of the mark would contravene the provisions on the scope of protection of the GI. Similar provisions are currently set out in Article 14(2) of

⁶ In this regard, see Second Board of Appeal, 17 February 2023, R0531/2022-2, NERO CHAMPAGNE; appeal pending before the EU General Court.

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Regulation 1151/2012, Article 102(2) of Regulation 1308/2013 and Article 36(2) of Regulation 2019/787.

Article 35(3) of the AGRI GI Proposal reads as follows:

'A trade mark the use of which contravenes Article 27, which has been applied for, registered, or established by use in good faith within the territory of the Union, if that possibility is provided for by the legislation concerned, before the date on which the application for registration of the geographical indication is submitted to the Commission, may continue to be used and renewed notwithstanding the registration of a geographical indication, provided that no grounds for invalidity or revocation of the trade mark exist under Directive (EU) 2015/2436 or Regulation (EU) 2017/1001. In such cases, the use of the geographical indication, if then registered, and that of the relevant trade mark shall be permitted.'

- Proposed amendments to the Commission proposals

In its negotiating position, the European Parliament has proposed to add the words "*Without prejudice to paragraph 2 of this Article*" in Article 35(3) of the AGRI GI Proposal, presumably in order to align the provision with the corresponding provision of the CRAFT GI Regulation.

Indeed, Article 42(4) of the CRAFT GI Proposal is worded in slightly different terms than Article 35(3) of the AGRI GI Proposal. The differences are highlighted in bold below:

*'**Without prejudice to paragraph 2 of this Article**, a trade mark the use of which contravenes Article 35, which has been applied for, registered, or established by use in good faith within the territory of the Union, if that possibility is provided for by the legislation concerned, before the date on which the application for registration of the geographical indication is submitted to the Office, may continue to be used and renewed notwithstanding the registration of a geographical indication, provided that no grounds for invalidity or revocation of the trade mark exist under Directive (EU) 2015/243632 of the European Parliament and of the Council or Regulation (EU) 2017/1001. In such cases, the use of the geographical indication, ~~if then registered~~, and that of the relevant trade mark shall be permitted.'*

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Article 39(5) of the Compromise Text of the CRAFT GI Regulation is essentially identical to Article 42(4) of the Commission proposal.

- Comments

The terms “if then registered” are not to be found in Article 35(3) of the AGRI GI Proposal. We find them somewhat confusing. On the one hand, a sign which has been refused registration as a GI by the Commission cannot be considered a “geographical indication” under EU law. Therefore, use as a GI of such a sign should not be allowed at all. On the other hand, the expression “if then registered” may suggest that use of the GI should not be allowed *as long as the application for registration of the GI has not been accepted*, that is, pending the scrutiny of the Commission. This would seem unfair. Therefore, it may be preferable to omit the expression ‘if then registered’ in both provisions. The expression “notwithstanding the registration of a geographical indication” seems sufficient to make it clear that a sign cannot be used as a GI when the GI application has been rejected by the Commission.

The terms “without prejudice to paragraph 2 of this Article” in Article 42(4) of the CRAFT GI Proposal suggest that, under the new regulation, it will be possible to seek a declaration of invalidity against earlier trade marks that may continue to be used because such use has been made in good faith prior to the date on which the application for registration of the GI has been submitted. The validity of such a legal regime would be questionable. Indeed, under Article 24(5) of the TRIPs Agreement, “where a trademark has been applied for or registered in good faith (...) either: (a) before the date of application of these provisions in that Member as defined in Part VI; or (b) before the geographical indication is protected in its country of origin; measures adopted to implement this Section **shall not prejudice eligibility for or the validity of the registration of a trademark, or the right to use a trademark**, on the basis that such a trademark is identical with, or similar to, a geographical indication.” Article 13(1) of the Geneva Act to the Lisbon Agreement contains a similar provision.

Article 14(2) of Regulation 1151/2012 and Article 102(2) of Regulation 1308/2013 also contain a ‘without prejudice’ clause. However, in these provisions the ‘without prejudice’ clause does not refer to Article 14(1) and Article 102(1), respectively (which correspond to Article 42(2) of the CRAFT GI Regulation), but to the provisions concerning a ground of refusal of a GI, under

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which a name proposed for registration as a GI shall not be registered where, in the light of a trade mark's reputation and renown and the length of time it has been used, registration of the name proposed as the GI would be liable to mislead the consumer as to the true identity of the product.

The reference in the 'without prejudice' clause of Article 42(4) of the CRAFT GI Proposal should, therefore, presumably, be to Article 39 of the CRAFT GI Proposal (*"A name shall not be registered as a geographical indication where, in the light of a trade mark's reputation and renown, registration of the name proposed as a geographical indication could mislead the consumer as to the true identity of the product"*). For the sake of consistency, a similar clause could be inserted in Article 35(3) of the AGRI GI Proposal, which should then refer to Article 31 of the same (*"A name shall not be registered as a geographical indication where, in the light of a trade mark's reputation and renown, registration of the name proposed as a geographical indication could mislead the consumer as to the true identity of the product"*). The same inconsistency subsists in Article 39(5) of the Compromise Text of the CRAFT GI Proposal.

- **Use 'together with' a guarantee/certification/collective mark**

- **Current legal framework**

None of the GI regulations currently in force contains any provision dealing with the use, on or in relation to the same product, of GIs, on the one hand, and guarantee, certification or collective marks, on the other hand.

- **Proposals**

- Commission proposals

The Commission proposes to introduce such provisions.

Article 35(5) of the AGRI GI Proposal provides that:

"Without prejudice to Regulation (EU) No 1169/2011, guarantee or certification marks referred to in Article 28(4) of Directive (EU) 2015/2436 and collective marks referred to in Article 29(3) of that Directive may be used on labels, together with the geographical indication".

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A similar provision is laid down in Article 42(5) of the CRAFT GI Proposal, except that in this provision no reference is made to a delegated or implementing regulation (such as Regulation 1169/2011).

- Proposed amendments to the Commission proposals

In its negotiating position on the AGRI GI Proposal, the European Parliament has proposed to add a similar provision in Article 102 of Regulation 1308/2013.

The Council has proposed to include a reference to “collective marks and certification marks as referred to in Chapter VIII of Regulation (EU) No 2017/1001” in Article 35(5) of the AGRI GI Proposal.

Article 39(6) of the Compromise Text of the CRAFT GI Regulation is essentially identical to Article 42(5) of the Commission proposal, except that it also refers to “labels and packaging devices”.

- Comments

In our opinion, the scope of the proposed provisions is overly broad. Indeed, as they stand in the Commission proposals, they suggest that guarantee, certification or collective marks should be allowed to be used together with a GI even when the regulations of use of these marks are not consistent with the product specification of the GI at issue. Such concurrent use, on the same product, of a GI and a trade mark with different specifications would be deceptive or misleading in the sense of Article 27 of the AGRI GI Proposal and Article 35 of the CRAFT GI Proposal. Groups of producers should be entitled to oppose use of a guarantee, certification or collective mark in such cases. It should be made clear that Article 35(5) of the AGRI GI Proposal and Article 42(5) of the CRAFT GI Proposal are without prejudice to Article 27 of the AGRI GI Proposal and Article 35 of the CRAFT GI Proposal, respectively.

The Council’s suggestion to add a reference to “collective marks and certification marks as referred to in Chapter VIII of Regulation (EU) 2017/1001” is welcome. It is unclear why the Commission proposals only refer to the Directive 2015/2436. Next to Article 35(5) of the AGRI GI Proposal, Article 42(5) of the CRAFT GI Proposal should also be amended accordingly.

Regarding the amendments to Article 102 of Regulation 1308/2013 put forward by the European Parliament, we refer to our comments on page 7 of this position paper.

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- **Transitional period and international agreements**
- Commission proposals

Article 42(3) of the CRAFT GI Proposal provides that:

‘For the purposes of paragraphs 1 and 4 of this Article, for geographical indications registered further to the procedure set up in Article 67, the first day of protection, following the one year transitional period since [the date of entry into force of this Regulation], shall be deemed to be the day on which the Member States have informed the Office and the Commission.’

The Compromise Text proposes to delete this provision, but fails to explain why it should be deleted.

Article 67 of the CRAFT GI Proposal provides for a transitional regime on account of the fact that national specific protection for GIs for craft and industrial products will cease to exist by one year after the date of entry into force of this Regulation. Article 67(2) provides in this regard that, by six months after the date of entry into force of the new regulation, interested Member States will have to inform the Commission and EUIPO, which of their legally protected names or in the Member States where there is no protection system, which of their names established by usage they wish to register and protect pursuant to this Regulation.

No similar provision is needed for GIs for wine, spirit drinks and agricultural products, where the national protection schemes concerning those GIs have already ceased to exist a long time ago within the EU. Hence, a provision similar to Article 42(3) of the CRAFT GI Proposal is not required in the AGRI GI Proposal.

However, Article 35(4) of the AGRI GI Proposal provides that:

‘For geographical indications registered in the Union without the submission of a Union application for registration, the date of the first day of protection shall be deemed to be the date of submission to the Commission of the application for registration of the geographical indication for the purposes of paragraphs 1 and 3.’

- Proposed amendments to the Commission proposals

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The European Parliament has proposed to add a similar paragraph to Article 102 of Regulation 1308/2013.

The Council has proposed to amend this provision as follows:

‘For the purposes of paragraphs 1 and 3, where geographical indications were registered in the Union without the submission of an application for registration, at Union stage, the date of submission to the Commission of the application for registration of the geographical indication shall be the date of the first day of protection.’

To our understanding, this provision aims to deal with situations where a GI becomes protected under EU law as a result of an international agreement between the EU and a third country.

- Comments

Regarding the European Parliament’s proposal to amend Article 102 of Regulation 1308/2013, we refer to our comments on page 7 of this paper.

Regarding the AGRI GI Proposal, we are in favour of the provision proposed by the Council, which we find clearer than the provision laid down in the Commission proposal.

Regarding the CRAFT GI Proposal, it is unclear to us why it does not contain a provision similar to Article 35(4) of the AGRI GI Proposal. We would suggest adding such a provision.

Moreover, the reference in Article 42(3) of the CRAFT GI Proposal to “the first day of protection” is difficult to understand. Indeed, neither paragraph 1 nor paragraph 4 of this provision refer to the “first day of protection”. What needs to be determined in Article 42(3) for GIs registered further to the procedure set up in Article 67 is not the first day of protection of such GIs, but when those GIs must be deemed to have been submitted to EUIPO in the sense of paragraphs of 1 and 4.

Therefore, we would suggest rephrasing Article 42(3) of the CRAFT GI Proposal as follows:

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‘For the purposes of paragraphs 1 and 4 of this Article, the following shall be deemed to be the date of submission to the Office of the application for registration of the geographical indication:

- *for geographical indications registered in the Union without the submission of a Union application for registration, the date of the first day of protection;*
- *for geographical indications registered further to the procedure set up in Article 67, the day on which the Member States have informed the Office and the Commission.’*

III.B. Protection of and rights to use the GI

- **Protection of the GI**

- **Current legal framework**

The current GI regulations already contain comprehensive provisions defining the scope of protection of GIs. Those provisions are set forth in Article 13(1) to (4) of Regulation 1151/2012, Article 103(2) to (4) of Regulation 1308/2013 and Article 21(2) to (4) of Regulation 2019/787. They are not entirely consistent with each other.

Article 13(1) to (4) of Regulation 1151/2012 provides that:

‘1. *Registered names shall be protected against:*

(a) *any direct or indirect commercial use of a registered name in respect of products not covered by the registration where those products are comparable to the products registered under that name or where using the name exploits, weakens or dilutes the reputation of the protected name, including when those products are used as an ingredient;*

(b) *any misuse, imitation or evocation, even if the true origin of the products or services is indicated or if the protected name is translated or accompanied by an expression such as ‘style’, ‘type’, ‘method’, ‘as produced in’, ‘imitation’ or similar, including when those products are used as an ingredient;*

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(c) *any other false or misleading indication as to the provenance, origin, nature or essential qualities of the product that is used on the inner or outer packaging, advertising material or documents relating to the product concerned, and the packing of the product in a container liable to convey a false impression as to its origin;*

(d) *any other practice liable to mislead the consumer as to the true origin of the product.*

Where a protected designation of origin or a protected geographical indication contains within it the name of a product which is considered to be generic, the use of that generic name shall not be considered to be contrary to points (a) or (b) of the first subparagraph.

2. *Protected designations of origin and protected geographical indications shall not become generic.*

3. *Member States shall take appropriate administrative and judicial steps to prevent or stop the unlawful use of protected designations of origin and protected geographical indications, as referred to in paragraph 1, that are produced or marketed in that Member State.*

To that end Member States shall designate the authorities that are responsible for taking these steps in accordance with procedures determined by each individual Member State.

These authorities shall offer adequate guarantees of objectivity and impartiality, and shall have at their disposal the qualified staff and resources necessary to carry out their functions.

4. *The protection referred to in paragraph 1 shall also apply with regard to:*

(a) *goods entering the customs territory of the Union without being released for free circulation within the customs territory of the Union; and*

(b) *goods sold by means of distance selling, such as electronic commerce.*

For goods entering the customs territory of the Union without being released for free circulation within that territory, the group or any operator entitled to use the protected designation of origin or protected geographical indication shall be entitled to prevent all third parties from bringing goods, in the course of trade,

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into the Union without being released for free circulation there, where such goods, including packaging, come from third countries and bear without authorisation the protected designation of origin or protected geographical indication.'

The provisions of Article 103(2) to (4) of Regulation 1308/2013 and Article 21(2) to (4) of Regulation 2019/787 are essentially similar to those of Article 13(1) to (4) of Regulation 1151/2012, subject to the following differences:

- They do not refer to “registered names” but to “a protected designation of origin and a protected geographical indication” or “geographical indications protected under this regulation”, with Regulation 1308/2013 further specifying that “the wine using that protected name in conformity with the product specifications” shall also be protected;
- Article 103(2)(b) of Regulation 1308/2013 does not only refer to translations, but also to transcriptions and transliterations;
- Article 103(2)(b) of Regulation 1308/2013 and Article 21(2)(b) of Regulation 2019/787 also include references to “flavour” and “like” after “imitation”;
- There is no provision in Regulations 1308/2013 and 2019/787 which corresponds to Article 13(3) of Regulation 1151/2012;
- Article 21(2)(c) of Regulation 2019/787 refers to any other false or misleading indication “in the description, presentation and labelling of the product”, rather than “in the inner or outer packaging, advertising materials or documents relating to the product concerned, and the packing of the product in a container” liable to be misleading;
- The last subparagraph of Article 13(4) of Regulation 1151/2012 is missing in Article 21(4) of Regulation 2019/787.

➤ **Proposals**

- Commission proposals

Article 27 of the AGRI GI Proposal reads as follows:

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‘1. *Geographical indications entered in the Union register of geographical indications shall be protected against:*

(a) *any direct or indirect commercial use of the geographical indication in respect of products not covered by the registration, where those products are comparable to the products registered under that name or where use of a name exploits, weakens, dilutes, or is detrimental to the reputation of, the protected name;*

(b) *any misuse, imitation or evocation, even if the true origin of the products or services is indicated or if the protected name is translated or accompanied by an expression such as ‘style’, ‘type’, ‘method’, ‘as produced in’, ‘imitation’, ‘flavour’, ‘like’ or similar.*

(c) *any other false or misleading indication as to the provenance, origin, nature or essential qualities of the product that is used on the inner or outer packaging, advertising material, documents or information provided on websites relating to the product concerned, and the packing of the product in a container liable to convey a false impression as to its origin;*

(d) *any other practice liable to mislead the consumer as to the true origin of the product.*

2. *For the purposes of paragraph (1), point (b), the evocation of a geographical indication shall arise, in particular, where a term, sign, or other labelling or packaging device presents a direct and clear link with the product covered by the registered geographical indication in the mind of the reasonably circumspect consumer, thereby exploiting, weakening, diluting or being detrimental to the reputation of the registered name.*

3. *Paragraph (1) shall also apply to a domain name containing or consisting of the registered geographical indication.*

4. *The protection referred to in paragraph (1) also applies to:*

(a) *goods entering the customs territory of the Union without being released for free circulation within that territory; and*

(b) *goods sold by means of distance selling, such as electronic commerce.*

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5. *The recognised group of producers or any operator that is entitled to use the protected designation of origin or protected geographical indication shall be entitled to prevent all third parties from bringing goods, in the course of trade, into the Union without being released for free circulation there, where such goods, including packaging, come from third countries and are in breach of paragraph (1).*

6. *Geographical indications protected under this Regulation shall not become generic in the Union.*

7. *Where a geographical indication is a compound name which contains a term which is considered to be generic, the use of that term shall not constitute a conduct referred to in paragraph (1), point (a) and (b).'*

Article 35 of the CRAFT GI Proposal reads as follows:

'1. Geographical indications entered in the Union register of geographical indications for craft and industrial products shall be protected against:

(a) any direct or indirect commercial use of the geographical indication in respect of products not covered by the registration, where those products are identical or similar to the products registered under that geographical indication or where use of the name exploits, weakens, dilutes, or is detrimental to the reputation of, the protected geographical indication;

(b) any misuse, imitation or evocation, even if the true origin of the products or services is indicated or if the protected geographical indication is translated or accompanied by an expression such as 'style', 'type', 'method', 'as produced in', 'imitation', 'flavour', 'like' or similar;

(c) any other false or misleading indication as to the provenance, origin, nature or essential qualities of the product that is used on the inner or outer packaging, advertising material, documents or information provided on websites relating to the products, and the packing of the products in a container liable to convey a false impression as to their origin;

(d) any other practice liable to mislead the consumer as to the true origin of the products.

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2. *For the purposes of paragraph 1, point (b), the evocation of a geographical indication shall be deemed to arise, in particular, where a term, sign, or other labelling or packaging device presents a direct and clear link with the product covered by the registered geographical indication in the mind of the reasonably circumspect consumer, thereby exploiting, weakening, diluting or being detrimental to the reputation of the registered name.*
3. *Paragraph 1 shall also apply to a domain name containing or consisting of the registered geographical indication.*
4. *The protection referred to in paragraph 1 shall also apply to:*
 - (a) *goods entering the customs territory of the Union without being released for free circulation within that territory; and*
 - (b) *goods sold by means of distance selling, such as electronic commerce.*
5. *The producer group or any producer that is entitled to use the protected geographical indication shall be entitled to prevent all third parties from bringing goods, in the course of trade, into the Union without being released for free circulation there, where such goods, including packaging, come from third countries and are contrary to paragraph 1.*
6. *Geographical indications protected under this Regulation shall not become generic within the Union.*
7. *Where a geographical indication is a compound name which contains a term which is considered to be generic, the use of that term shall not constitute a conduct referred to in paragraph 1, points (a) and (b).'*

- Proposed amendments to the Commission proposals and comments

As far as Article 27 of the AGRI GI Proposal is concerned, the Council and the European Parliament propose, in their negotiating positions, to clarify that the forbidden uses of GIs also include uses as an ingredient (Article 27(1)(a) and (b): "*including when those products are used as an ingredient*"). This clarification, which had already been included in the respective provisions of the current GI regulations, is welcome. Article 35 of the CRAFT GI Proposal should be amended in the same way, so as to provide in points (a) and (b) of paragraph 1 that the forbidden uses also include uses as a part or component in manufactured products. Indeed, Article 36 ('Parts or components in

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manufactured products’) explicitly provides that it is ‘without prejudice to Article 35’, which clearly suggests that uses as a part or component also falls under the scope of Article 35.

The Council’s and the Parliament’s suggestions are also welcome to the extent that they propose to explicitly provide, in line with the CJEU’s case law⁷, that the scope of protection of GIs against uses exploiting, weakening, diluting or detrimental to the reputation of a GI cover “any product or any service”.

To the contrary, the European Parliament’s proposal to add “counterfeiting” next to “misuse, imitation and evocation” in Article 27(1)(b) does not seem appropriate to us. Indeed, it is unclear what is meant by “counterfeiting”.⁸ In fact, direct or indirect commercial uses in the sense of Article 27(1)(a) are also likely to amount to “counterfeiting”, which generally refers to the unauthorised use of a protected sign in an identical form or in a form which cannot be distinguished from it in its essential aspects.⁹ “Counterfeiting” also seems redundant with “misuse”, which has been understood by the EUIPO’s as an “inappropriate use”¹⁰ or “unauthorised and/or illegal use”¹¹ of a GI.

Furthermore, the Council has proposed to add the terms “transcribed or transliterated” after “translated” in Article 27(1)(b) and to replace “website” with “online interfaces” in Article 27(1)(c), in order to adapt the provision to technical progress or technical developments in this area, which is good to notice. As has been pointed out above, a reference to transcriptions and transliterations can already be found nowadays in Article 103(2)(b) of Regulation 1308/2013.

Article 27(2) provides that the evocation of a GI shall arise, “in particular, where a term, sign, or other labelling or packaging device presents a direct and clear

⁷ See, in particular, judgment of 9 September 2021 in case C-783/19, *Comité interprofessionnel du vin de Champagne v GB*, EU:C:2021:713

⁸ Admittedly, the notion of “misuse” and “imitation” are not clear either; however, the notion of “imitation” is included in Article 13(2) of the Geneva Act to the Lisbon Agreement and should therefore also be mentioned in the new regulations, as is already the case in the existing GI regulations.

⁹ See, for example, Article 2(5) of Regulation (EU) No 608/2013 of the European Parliament and of the Council of 12 June 2013 concerning customs enforcement of intellectual property rights and repealing Council Regulation (EC) No 1383/2003: ‘„counterfeit goods” means (...) (b) goods which are the subject of an act infringing a geographical indication in the Member State where they are found and, bear or are described by, a name or term protected in respect of that geographical indication’.

¹⁰ EUIPO, First Board of Appeal, 30 November 2018, R251/2016-1, para 133.

¹¹ EUIPO, Fourth Board of Appeal, 17 April 2020, R1132/2019-4, para 24.

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link with the product covered by the registered geographical indication in the mind of the reasonably circumspect consumer, thereby exploiting, weakening, diluting or being detrimental to the reputation of the registered name”. This new provision proposes to codify the CJEU’s case law regarding the definition of ‘evocation’.¹² However, the definition provided is not exhaustive (‘in particular’), which suggests that there might be ‘evocation’ also in other circumstances than those that have been highlighted by the Court. Moreover, the provision suggests that evocation shall only be prohibited when it exploits, weakens, dilutes or is detrimental to the GI’s reputation; so far, the Court has not been called upon to specify whether this was a requirement to be able to oppose an evocation of a GI under the existing GI regulations. From our perspective, it would be appropriate to delete this proposed provision, as there is a risk that the term ‘evocation’ would be interpreted too narrowly.¹³ In this regard, we note that the European Parliament has proposed to delete Article 27(2). The Council has suggested that it could be included in the recitals as follows: “In line with the established case law of the Court of Justice of the European Union, evocation of a geographical indication should arise, in particular, where a term, sign, or other labelling or packaging device presents a sufficiently direct and clear link with the product covered by the registered geographical indication in the mind of the average European consumer who is reasonably well informed, observant and circumspect.” This would be acceptable. The proposed wording is, in any event, more in line with the CJEU’s case law¹⁴ to the extent that it refers to a “sufficiently” clear and direct link and to the “average European consumer who is reasonably well informed, observant and circumspect”. In this regard, we note that the same terminology is used in the Compromise Text of Article 35(2) of the CRAFT GI Proposal.

¹² See, inter alia, judgment of 7 June 2018 in Case C-44/17, *Scotch Whisky Association v Michael Klotz*, EU:C:2018:415, paras 53 – 54, and judgment of 2 May 2019 in Case C-614/17, *Fundación Consejo Regulador de la Denominación de Origen Protegida Queso Manchego v Industrial Quesera Cuquerella SL and Juan Ramón Cuquerella Montagud*, EU:C:2019:344, para 39.

¹³ For example, in a judgment of 26 May 2023 (RG 21/09232, *INAO and Syndicat Général des Vignerons du Réunis des Côtes du Rhône v S.A.S. NewRhône Millésimes*) the Paris Court of Appeal has prohibited the use of a sign amounting to an evocation of a GI even for products complying with the product specification of the GI. According to the court, the permitted use of a GI, as set out in Article 103(1) of Regulation 1308/2013, only refers to use of the GI in the form in which it is protected. It is unclear how this situation would be dealt with under Article 27(2) of the new regulation.

¹⁴ See, inter alia, judgment of 21 January 2016, Case C-75/15, *Viiniverla Oy v Sosiaali- ja terveystieteiden tutkimuskeskus*, EU:C:2016:35, paras 27 – 28; judgment of 7 June 2018 in Case C-44/17, *Scotch Whisky Association v Michael Klotz*, EU:C:2018:415, para 52.

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The European Parliament has also proposed to include the following in Article 27: “*Where the geographical indication contains one or more nongeneric terms, the use of one, some or all of them in the same or in a different order from the one registered shall constitute one of the types of conduct referred to in paragraph 1, points (a) and (b).*” A substantive provision on this point does not seem appropriate to us. It seems opportune to us to let the courts decide on a case-by-case basis whether a sufficiently clear and direct link with the GI at issue is present to conclude to the existence of “direct or indirect commercial use” or “evocation” in such a context, which is a factual assessment. As the case may be, this provision could be included as a (non-binding) “guideline” in the recitals.

By contrast, Article 27(7), which states that, where a GI is a compound name which contains a term which is considered to be generic, the use of that term (alone) shall not constitute a conduct referred to in Article 27(1) and (b), is welcome. A similar provision already exists in Article 13(1) of Regulation 1151/2012. The European Parliament’s proposal to add “*as a general rule*” after “*shall not constitute*” seems sensible to us, again in order to provide the necessary flexibility to the courts when applying the new provisions in each specific case.

We also welcome the Commission’s proposal to clarify, in Article 27(3), that the protection according to Article 27(1) shall also apply to domain names containing or consisting of the registered GI; however, the wording proposed by the Council, which suggests deleting the words “*containing or consisting of the registered geographical indication*”, is better since it covers all the situations referred to in Article 27(1), including imitations, misuses and evocations.

The Council proposes to add “goods intended for exports to third countries” in Article 27(4), whereas the European Parliament proposes to add “goods produced in the Union and destined to be exported and marketed in third countries”. The suggestion to include goods produced in the Union seems appropriate, for the sake of legal certainty. One may indeed question whether such goods can be considered as “entering the customs territory of the Union without being released for free circulation within that territory”. By contrast, it does not seem appropriate to us to only prohibit the export of goods that have been produced in the EU and would contravene Article 27(1) when they are destined to be marketed in a third country, whereas the movement throughout the EU of the same goods produced in third countries would be prohibited

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regardless of whether these goods destined to be marketed outside the EU or are destined for personal consumption.

The Council's proposal to replace the "recognised group of producers or any operator that is entitled to use the protected designation of origin or protected geographical indication" with "the entities listed in Article 3(1)(d) of Regulation 608/2013" in Article 27(5) is welcome. However, those entities should not only be "entitled to submit an application to the custom authorities" to prevent all third parties from bringing goods into the EU; they should also be entitled to rely on other procedures and remedies to that end. In this respect, the Commission's proposed wording ("entitled to prevent all third parties", which is not limited to customs applications under Regulation 608/2013) is better.

The provisions of Article 35 of the CRAFT GI Proposal should in any case be aligned with those of Article 27 of the AGRI GI Proposal, subject to the recommendations that have been highlighted above.

Amongst other things, for the sake of legal certainty and consistency, "*where those products are identical or similar*" in Article 35 should be replaced by "*where those products are comparable*", as has been proposed in the Compromise Text. Unlike the adjective "comparable", that has been consistently used in the existing GI regulations so far, the concept "identical or similar" is generally specific to trade mark law. The notion of "comparable products" has been defined by the CJEU¹⁵ in a way which is not entirely identical to the notion of "similar goods" under trade mark law. As stated in recital 19 of the AGRI GI Proposal, to establish whether products are 'comparable' to the products registered as a geographical indication, account should be taken of all relevant factors. Those should include whether the products have common objective characteristics, such as method of production, physical appearance or use of the same raw material; under which circumstances the products are utilised from the point of view of the relevant public; whether they are frequently distributed through the same channels; and whether they are subject to similar marketing rules.

¹⁵ Judgment of 14 July 2011 in Joined Cases C-4/10 and C-27/10, *Bureau national interprofessionnel du Cognac v Gust Ranin Oy*, EU:C:2011:484, para 54.

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In Article 35(1)(a) of the CRAFT GI Proposal, the expression “*products protected by*” the GI should be preferred to the terms “*products registered under*” the GI, as proposed in the Compromise Text. Indeed, products are not “registered” under a GI.

In Article 35(1)(b), the word “*fragrance*” could be added, as also suggested by the Compromise Text (even though the term “*similar*” probably also includes fragrance).

Finally, it has been proposed in the Compromise Text to reintegrate a provision similar to Article 13(3) of Regulation 1151/2012 but to include it in the provision of the new regulation dealing with the ‘Monitoring of the use of geographical indications in the market’. This is also a welcome development.

- **Right to use the GI**

- **Current legal framework**

Article 12(1) of Regulation 1151/2012, Article 103(1) of Regulation 1308/2013 and Article 21(1) of Regulation 2019/787 contain provisions which are essentially identical and provide that GIs may be used by any operator marketing a product that has been produced in conformity with the corresponding product specification.

- **Proposals**

- Commission proposals

Article 36(1) of the AGRI GI Proposal provides that:

‘A registered geographical indication may be used by any operator marketing a product conforming to the corresponding **product specification or single document or an equivalent to the latter.**’

Article 43(1) of the CRAFT GI Proposal provides that:

‘A registered geographical indication may be used by any **producer** marketing a product conforming to the corresponding **product specification or to a single document or an equivalent to the latter.**’

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In both proposals a reference to ‘*a single document or an equivalent of the latter*’ has been added, while the existing provisions in Article 12 of Regulation 1151/2012, Article 103(1) of Regulation 1308/2013 and Article 21(1) of Regulation 2019/787 are requesting that the product marketed must be conforming to the corresponding **product specification** only.

- Proposed amendments to the Commission proposals

In its negotiating position, the European Parliament proposes to delete the reference to “*an equivalent to the latter*” but to keep the reference to the single document.

By contrast, the Council proposes to delete the additional reference to “a single document or an equivalent of the latter”. Thus amended, Article 36(1) would now read: “A registered geographical indication may be used by any operator marketing a product complying with the corresponding product specification.” This wording, if adopted, would be in line with that of Article 12 of Regulation 1151/2012, Article 103(1) of Regulation 1308/2013 and Article 21(1) of Regulation 2019/787.

As far as the CRAFT GI Proposal is concerned, the Compromise Text also proposes to delete all references to the single document or equivalent documents, and to amend Article 43(1) as follows: “*A registered geographical indication may be used by any producer of a product that is in conformity with the product specification.*”

- Comments

We support the Council’s proposal, the wording of which should be used for **both** Article 36(1) of the AGRI GI Proposal and Article 43(1) of the CRAFT GI Proposal. Indeed:

- First, Articles 13 and 52 of the AGRI GI Proposal and Article 8 of the CRAFT GI Proposal specify that the single document is just a **summary** of (the main points of) the product specification. Hence, it does not include the same extent of information and details as the product specification. It follows that it is possible for a product to comply with a single document and yet to be in violation of some (other) aspects of the product specification.

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- Second, the reference to ‘equivalent documents’ is too vague. The ambiguity of this concept could be detrimental to the interests of **both** producer groups and economic operators marketing a product covered by a GI. The expression ‘equivalent document’ is not defined in the proposed regulations (see the definitions set out in Article 2 of the AGRI GI Proposal and Article 3 of the CRAFT GI Proposal). Although recital 27 of the AGRI GI Regulation and recital 35 of the CRAFT GI Regulation suggest that the single document ‘or an equivalent to the latter’ refer in both cases to “*a complete summary of the product specification*”, this still remains unclear, since the single document is actually **not** a **complete** summary of the product specification (“*complete summary*” is already a *contradictio in terminis* by itself).
- Third, there is no need to refer to the ‘single document’ or ‘equivalent documents’ in addition to the ‘product specification’, since the ‘product specification’ already includes the precise description of the products for which the GI is protected, with all details of the production and geographical requirements;
- Finally, unlike product specifications, which must be made available to the public, ‘equivalent documents’ may not necessarily be easily accessible.

Article 51 of the AGRI GI Proposal makes it clear that the ‘product specification’ should always be the basis for defining the scope of the GI and the definition of the protected products. Article 39(2) further provides that producers are responsible for internal controls that ensure compliance “*with the product specification*” before the product is put on the market. It is unclear why the market controls set out in Article 42(2) only require to check conformity with the product specification “*or the single document or an equivalent to the latter*”. A similar distinction is made in Articles 46(2) and 48(2) of the CRAFT GI Proposal.

There is no need to refer to any other document than the product specification. To avoid any misunderstanding with regard to the legal importance of provisions which are mentioned in the product specification but not in the single document or ‘equivalent document’, Articles 36(1) and 43(1) of the respective proposals should only refer to the ‘product specification’, to make clear in Articles 42(1) and 48(2), respectively, that the marketed product has to comply with the specification. In any event, the reference to “*or equivalents to the latter*”

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(meaning an equivalent to the single document) should be deleted in Articles 36(1) and 43(1) of the respective proposals.

If the wording of Article 36(1) of the AGRI GI Proposal should be changed in accordance with the Council's negotiating position, then the wording of recital 27 and of Article 42(2) would need to be amended as well to ensure the consistency of the provisions within the new regulation. The references in both provisions should be limited to the "*product specification*" only and the references to "*a single document or its equivalent*" should be deleted. The Council has proposed to amend recital 27 in that sense. Likewise, if the wording of Article 43(1) of the CRAFT GI Proposal should be changed in accordance with the Council's suggestions, the wording of recital 35 and of Article 48(2) would have to be amended as well. Surprisingly, the Council has not proposed to amend these provisions.

Finally, the reference in recital 27 of the AGRI GI Proposal and Article 43(1) of the CRAFT GI Proposal to "*producer(s)*" seems too narrow to us: any "*operator*" marketing a complying product should be allowed to use the GI for that purpose. Under the existing protection schemes, Article 12(1) of Regulation 1151/2012, Article 102(1) of Regulation 1308/2013 and Article 21(1) of Regulation 2019/787 all refer to "*operator*" rather than "*producer*". The Council's proposal to replace "*producer(s)*" with "*operator(s)*" in recital 27 of the AGRI Proposal should therefore be approved, and Article 43(1) of the CRAFT GI Proposal should be amended in the same sense.

III.C. Domain names

➤ Background

For the first time, the Commission proposes to regulate the relationship between GIs and domain names through new provisions. Indeed, no such provisions are to be found in existing legislation.

The proposed provisions in this area are of a procedural or substantive nature.

In terms of **procedure**, the Commission proposes that applicants of GIs be informed of the availability and possibility of registering domain names, and that EUIPO manage a system of domain name alert to fight against cybersquatting.

On the **substance**, the Commission proposes that domain names registered under Union top-level domains should be cancelled or transferred if:

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- their owner has no rights or legitimate interest in the GI **or** the domain name has been registered or is being used in bad faith; **and**
- use of the domain name contravenes the protection afforded to the GI.

ADRs would not be made mandatory, but GIs would have to be recognized as prior rights in legislation or ADR policies.

The AGRI and CRAFT GI Proposals tabled by the Commission are not drafted in identical terms, which is confusing. Yet, on the substance they seem consistent with each other. However, the European Parliament and the Council have suggested alternative wordings that may have a significant impact on the content and scope of the provisions. Some of the alternative proposals include the involvement in ADR mechanisms of non-Union based domain names, as well as a mandate to the Commission to advocate for the inclusion of GIs as prior rights in ADR systems worldwide.

In our opinion, the proposals on procedural issues are likely to have a limited practical impact.

The proposals on substantive protection afforded to GIs are, overall, more welcome, subject to the below comments.

- **Commission proposals and proposed amendments hereto**
- **AGRI GI Proposal**

Article 34 of the AGRI GI Proposal reads as follows:

‘1. Country-code top-level domain name registries established in the Union may, upon the request of a natural or legal person having a legitimate interest or rights, revoke or transfer a domain name registered under such country-code top-level domain to the recognised producer group of the products with the geographical indication concerned, following an appropriate alternative dispute resolution procedure or judicial procedure, if such domain name has been registered by its holder without rights or legitimate interest in the geographical indication or if it has been registered or is being used in bad faith and its use contravenes Article 27.*

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2. *Country-code top-level domain name registries established in the Union shall ensure that any alternative dispute resolution procedure established to solve disputes relating to the registration of domain names referred to in paragraph (1), shall recognise geographical indications as rights that may prevent a domain name from being registered or used in bad faith.*

3. *The Commission shall be empowered to adopt delegated acts in accordance with Article 84 supplementing this Regulation by provisions entrusting EUIPO to establish and manage a domain name information and alert system that would provide the applicant, upon the submission of an application for a geographical indication, with information about the availability of the geographical indication as a domain name and, on optional basis, the registration of a domain name identical to their geographical indication. That delegated act shall also include the obligation for registries of country-code top-level domain names, established in the Union, to provide EUIPO with the relevant information and data.'*

*Article 27 = scope of protection of GIs.

In its negotiating position, the European Parliament proposes to broaden the scope of paragraph 1 so as to make it applicable to all domain name registries (and not only top-level domain name registries) operating in the EU (and not only those established in the EU). The Council proposes to delete this paragraph.

The Parliament also proposes to add a paragraph whereby paragraphs 1 and 2 would apply to core platform services provided or offered by registries to business users established in the EU or to end-users established or located in the EU, irrespective of the place of establishment or residence of the registries and irrespective of the law otherwise applicable to the provision or offer of services.

➤ **CRAFT GI Proposal**

Article 31(1) of the CRAFT GI Proposal reads as follows:

'1. For domain names registered under a country-code top-level domain name, administered or managed by a registry established in the Union, the Office shall provide a domain name information and alert system. Upon submission of an application for a geographical indication, the information and alert system shall

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inform applicants for a geographical indication about the availability of their geographical indication as a domain name, and on an optional basis once a domain name containing an identical or similar name with their geographical indication is registered (domain name alerts).'

Article 41 of the proposal reads as follows:

'1. Country-code top-level domain name registries established in the Union may, upon request of a natural or legal person having a legitimate interest or rights, revoke or transfer a domain name registered under such country-code top-level domain to the producer group of the products with the geographical indication concerned, following an appropriate alternative-dispute-resolution procedure or judicial procedure, if such domain name has been registered by its holder without rights or legitimate interest in the geographical indication or if it has been registered or is being used in bad faith and its use contravenes Article 35.

2. Country-code top-level domain name registries established in the Union shall ensure that any alternative dispute resolution procedure established to solve disputes relating to the registration of domain names referred to in paragraph 1, shall recognise geographical indications as rights that may prevent a domain name from being registered or used in bad faith.'

- **Comments**

- **Analysis of consistency**

The two proposals, as they have been put forward by the Commission, seem consistent with each other on the substance. However, it is difficult to understand why the wording of the respective provisions dealing with GIs and domain names is not identical. These provisions should preferably be worded in exactly the same terms. This would prevent diverging interpretations by the judicature.

- **Analysis of relevance**

The Commission proposals regarding GIs and domain names essentially contain four proposals, two of which deal with procedural issues, and the other two with substantive issues.

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Overall, ECTA welcomes the inclusion of new provisions dealing with domain names in the GI regulations. However, we believe that the impact of such measures in practice is likely to remain limited.

- Comments on the procedural provisions

- First, the proposals suggest introducing a system whereby GI applicants or groups of producers would be notified that domain name protection is available and that they could go for it. In our opinion, the added value of this proposal seems limited.
- Second, the proposals suggest introducing a system of alert for possible domain name cybersquatting. Again, the added value of this proposal may seem limited: in practice only the most renowned GIs are likely to be subject to cybersquatting, and these well-known GIs already have watch systems in place. We also note that the proposed alert system would be limited to domain names incorporating GIs and so, would not cover domain names comprising names evoking a GI, which also fall under the scope of protection of the GI.

It appears from the Compromise Text that the European Parliament and the Council propose to delete the draft provisions on the domain name information and alert system laid down in the CRAFT GI Proposal. In its negotiating position, the Council also proposes to delete these provisions in the AGRI GI Proposal. However, the European Parliament proposes to keep it for AGRI GIs.

- Comment on the substantive provisions

- On the substance, under the proposed provisions, the operators of top-level domains would, first of all, be mandated to include GIs as prior rights that may prevent a domain name from being registered or used in bad faith in any ad-hoc ADR system, or in legislation for judicial enforcement if no ADR is available. This is already the case in several EU Member States, and it seems reasonable to extend this obligation to all operators in the EU;
- Second, the proposals suggest defining the scope of protection of GIs against domain names, by specifying that a domain name can be cancelled or transferred if its holder has **no rights or legitimate interests** over it, or if the domain name has been **registered or is**

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being used in bad faith, and if the domain name falls under the scope of protection of the GI. This proposal deserves some attention:

As an initial remark, it should be noted that the test for the protection of GIs against domain name piracy differs from that established for the protection of trade marks against domain name piracy. Under the “.eu” Regulation 2019/2017, the latter test is that of an “identical or confusing similarity”, and a situation where the domain name holder has no rights or legitimate interests over the domain name, or has been registered or is being used it in bad faith.

The Commission proposals envisage two possible scenarios:

- ✓ The first scenario is where the disputed domain name infringes the protection granted to the GI, and its holder has no rights or legitimate interests over that domain name. In this case it is fair to order the cancellation or transfer of the domain name as there is no need to preserve the potential rights or legitimate interests of the domain holder. On the one hand, one should be allowed to register and use domain names incorporating a GI for the purpose of promoting the sale of products complying with the product specification of that GI (e.g. “rosechampagneoffer.eu” to offer genuine Champagne wine for sale). On the other hand, when an economic operator offers non-complying products alongside complying products (e.g. Champagne wine as well as other wine products, for example) under such a domain name, this will presumably amount to an infringement of the protection granted to the GI. In this case, the arbitration bodies or the courts should be entitled to prevent the domain name holder from using it for the promotion of the non-complying products. However, depending on the circumstances, they may nevertheless decide that the domain name holder still has rights or legitimate interest over the domain name; unless use is made of the domain name in bad faith (in which case, see the next bullet point), the fact that the domain name has not exclusively been used for the promotion of benefiting from the GI should not necessarily be sufficient to warrant the cancellation or transfer of the domain name. In this respect, finally, having regard to the wording of the proposed provisions dealing with the scope of protection of GIs, we note that in both proposals the infringement of the GI can solely be assessed based on the effective **use** of the domain name. This implies that it would not be possible to act against the bad faith passive holding

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of domain names. Therefore, we propose that, in the case of bad faith registration of a domain name which incorporates or evokes a GI, such domain names should be refused even if there is no actual use of that domain name;

- ✓ The second scenario is where the disputed domain name infringes the protection granted to the GI, and its holder has acted in bad faith (with the alternative criterion of bad faith *registration* or *use*). In this regard, we wonder why, if the domain name holder is acting in bad faith, it should still be necessary to establish, in addition, an infringement of the GI. It seems to us that bad faith alone should be sufficient to grant protection to the GI in case of cybersquatting.

Last but not least, we note that, while, under the proposed provisions, the operators of top-level domains established in the EU would be required (*'shall'*) to include GIs as prior rights that may prevent a domain name from being registered or used in some cases, they will not be required (*'may'*) to cancel or transfer a domain name if the domain name holder has no rights or legitimate interests over the domain name, or if the domain name has been registered or is being used in bad faith, and if the domain name infringes the scope of protection of the GI. In our view, this is a pity as it could result in a lack of harmonization throughout the EU and is likely to have as a consequence that some operators of top-level domains will be tempted to apply a softer test to be more attractive towards potential cybersquatters. The term *'may'* should be replaced by *'shall'*.

For these reasons, the proposed provisions may not be entirely effective to combat cybersquatting.

It seems that the Compromise Text proposes to delete the provision set out in the first paragraph of Article 41 of the CRAFT GI Proposal. This is (hopefully) a mistake, since the corresponding recital (i.e. recital 33: *'Country-code top-level domain name registries established in the Union and offering alternative dispute resolution procedures to solve disputes relating to the registration of domain names should ensure that such procedures also cover geographical indications. Following an appropriate alternative dispute resolution procedure or judicial procedure, country-code top-level domain name registries established in the Union may revoke or transfer a domain name registered under a country-code top-level domain to the relevant producer group, where*

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a domain name registration contravenes the protection of geographical indication, or the domain name is being used in bad faith, or it has been registered by its holder without having a right or a legitimate interest in the geographical indication.') has not been deleted.

In our view, domain names consisting solely of the essential elements of the GI as registered, without any significant addition or modification, should be reserved exclusively to the groups of producers concerned, if it is aimed at the promotion or sale of products complying with the relevant product specifications. By contrast, economic operators allowed to use a GI under the relevant provisions of the protection schemes (see Article 36 of the AGRI GI Proposal and Article 43(1) of the CRAFT GI Proposal) should be allowed to register domain names comprising a GI and some additional terms, as long as such domain names are exclusively used for the promotion or marketing of the products for which the GI is protected.

III.D. Intermediary Services

Recital 51 of the AGRI GI Proposal rightly points out that intermediary services, in particular online platforms, have become increasingly used for the sale of products, including those designated by GIs. Therefore, in order to strengthen GI protection and to combat counterfeiting more effectively, the protection of GIs should apply to both the offline and online environment.

In this regard, Article 43 of the AGR GI Proposal proposes to introduce a new set of 'Obligations applicable to providers of intermediary services to enhance the fight against GI infringements. The proposed provision reads as follows:

'1. Sale of goods to which persons established in the Union have access, that contravenes Article 27, shall be considered illegal content within the meaning of Article 2, point (g) of Regulation (EU) 2022/xxx of the European Parliament and of the Council'⁶.

¹⁶ The reference should be understood as a reference to Regulation (EU) No 2022/2065 of the European Parliament and of the Council of 19 October 2022 on a Single Market For Digital Services and amending Directive 2000/31/EC (Digital Services Act) (OJ L 277, 27.10.2022, p. 1).

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2. *Competent authorities of the Member States may issue an order to act in accordance with Article 8 of Regulation (EU) 2022/xxx against illegal content as referred to in paragraph 1 of this Article¹⁷.*

3. *Pursuant to Article 14 of Regulation (EU) 2022/xxx, any individual or entity may notify providers of hosting services of the presence of a specific content that is in breach Article 27 of this Regulation.*

4. *This regulation is without prejudice to Regulation (EU) 2022/xxx.'*

As has been pointed out by the Council in its negotiating position, paragraphs 3 and 4 of this provision are actually unnecessary and may be deleted.

While we do welcome the first two paragraphs, we note that similar provisions are not to be found in the CRAFT GI Proposal. In our view, there is no objective reason which justifies this difference in regime.

Finally, the European Parliament and the Council have judiciously proposed to add a reference, in paragraphs 1 and 3 of Article 43, to Article 28 of the AGRI GI Proposal, dealing with ingredients in processed products.

IV. FINAL REMARKS


With this position paper ECTA wishes to draw the attention to its considerations concerning the CRAFT GI and AGRI GI Proposals combined with concrete suggestions of revision in some respects. The Topics concerned are the relationship of GIs with trademarks (refusal of registration, coexistence with earlier marks, use together with a guarantee/certification/collective mark, transitional period and international agreements), the protection of and rights to use the GI, domain names and intermediary services. Each topic covered in this position paper includes background information and comments that contain solution proposals (mostly found in the heading "comments") of which ECTA hopes will be taken into account in the further legislative process. ECTA will be happy to discuss the issues in more detail or to answer any questions that might occur.

¹⁷ The reference should be updated as a reference to Article 9 of Regulation 2022/2065.

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ECTA, which was formed in 1980, is an organisation concerned primarily with trade marks and designs. ECTA has approximately 1,500 members, coming from all the Member States of the EU, with associate Members from more than 50 other countries throughout the world.

ECTA brings together those practicing in the field of IP, in particular, trade marks, designs, geographical indications, copyright and related matters. These professionals are lawyers, trade mark and patent attorneys, in-house lawyers concerned with IP matters, and other specialists in these fields. ECTA does not have any direct or indirect links to, and is not funded by, any section of the tobacco industry.

The extensive work carried out by the Association, following the above guidelines, combined with the high degree of professionalism and recognised technical capabilities of its members, has established ECTA at the highest level and has allowed the Association to achieve the status of a recognised expert spokesman on all questions related to the protection and use of trade marks, designs and domain names in and throughout the European Union, and for example, in the following areas:

- Harmonization of the national laws of the EU member countries;
- European Union Trade Mark Regulation and Directive;
- Community Design Regulation and Directive;
- Organisation and practice of the EUIPO.

ECTA does also take into consideration all questions arising from the new framework affecting trade marks, including the globalization of markets, the explosion of the Internet and the changes in the world economy.