European Communities Trade Mark Association

## Geographical Indications Committee

# Comments on the Green Paper on a possible extension of geographical indication protection of the European Union to non-agricultural products

**October 2014**

ECTA is a non-governmental organization which represents, at EU level, the interest of the trade mark community (trade mark owners, and trade mark professionals). With over 1,400 members from all the member States and abroad, ECTA is a highly representative organization in this field, which cooperates closely with a number of public institutions, including the Office for Harmonization in the Internal Market (OHIM).

One of ECTA's areas of interest is Geographical Indications (GIs), and in particular their relationship with trade marks. ECTA's Geographical Indications Committee's activities concern the legal aspects of GIs and more specifically their relationship with trade marks and possibly other distinctive signs. Due to the fact that in a few countries GIs are protected by collective and/or certification marks, the Geographical Indications Committee is also active in this special domain.

In accordance with its specific competencies, the Geographical Indications Committee hereunder provides its comments on trade mark and other IP related issues raised in Green Paper COM(2014) 459 published on 15 July 2014, by responding to the specific questions set out in the Paper.

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At the outset, ECTA wishes to stress that it strongly favours the creation of an EU-Wide scheme for GIs in the field of non-agricultural products. This is a necessity concerning both the protection of EU GIs in this field, and the improvement of our commercial negotiation with third countries which do protect such GIS.

However, a simplification of the overall GI system in the EU is needed: it is not reasonable, on any account, to rely on a multiplicity of different schemes in each and every sector (wines, spirits, foodstuff, aromatized wines, and now non-agricultural products).

**Question 11: What do you think of current alternatives to harmonised protection for non-agricultural GIs?**

The current alternatives have their limits and do not provide the guarantees and security to consumers (on the exact place of origin, production method and specific qualities of a product) that a GI can offer.

Also, denominations for authentic non-agricultural products based on traditional knowledge and production methods rooted in the cultural/social heritage of a location, are increasingly becoming generic (the "*Laguiole*" cutlery case in France is a sad example thereof) through the increase of products produced elsewhere, at low costs, thus feeding unfair competition and the misleading of consumers.

Trade mark legislation is not adequate to protect the denominations *per se*, since a trade mark cannot be registered if it consists exclusively of descriptive terms. Even though the current EU trade mark system allows GI producers to register as a collective Community trade mark signs or indications which may serve, in trade, to designate the geographical origin of the goods or services, such registration does not provide for any predefined specification, in particular a link to a specific geographical area. Furthermore, such registration does not entitle the proprietor to prohibit a third party from using in the course of trade such signs or indications, provided he uses them in accordance with honest practices in industrial or commercial matter.

In addition, regrettably, the last amendments of the Legislative Package (Presidency Compromise Proposal) have expressly excluded geographical terms from the new certification scheme (as stated in previous comments, ECTA is opposed to this modification).

In any event, neither collective nor certification trade mark systems provide for official controls that both (i) verify that a product complies with the corresponding product specification and that (ii) monitor the use of registered names on the market, as provided for by the current EU GI's systems on agricultural products and foodstuff, wines and spirit drinks.

Finally, expenses involved in the prosecution activities related to the maintenance of trade mark registrations worldwide, in order to obtain protection at an international level, are high.

Unfair competition rules and the rules for the protection of consumers from unfair commercial practices also appear to have several downfalls, which create difficulties for producers of non-agricultural GI in fighting unlawful uses for products that do not have the requested quality and geographical characteristics.

Furthermore, often (see e.g. the Study on its pages 478 – 487 with specific reference to *Artistic and traditional ceramic from Deruta* and *Classic Botticino Marble*), the lack of *ex officio* actions is an issue, compelling the interested/injured parties to take legal action at their own risks and costs.

In conclusion, as the Study has shown (on page 109: *Difficulties faced by producers*), and in line with the Stakeholders survey outcome, the current alternatives do not provide protection across the EU for non-agricultural products nor guarantee their adequate protection in the single market.

In addition, it does not appear logic nor in line with the objectives of the internal market that non-agricultural producers who wish to protect their GI throughout the EU need to ensure that they have separate protection in each Member State, while producers of agricultural products, foodstuffs, wines and spirits (as holders of trade mark and other IP rights) can enjoy unitary protection.

**Questions:**

**12. If a new system was developed at EU level, should this protect GIs that cover non–geographical names which are unambiguously associated with a given place?**

**13. If so, how could be the system ensure that such protection does not affect the rights of other producers?**

**14. Should similar protection also cover symbols such as the contours of a geographical area? If so, under what conditions?**

There is no reason to exclude non-geographical terms which, in the mind of the European public, would be perceived as a GI.

And this can be done at no prejudice to the legitimate interests of third parties: in this respect the general provisions regarding prior trade mark rights should apply.

With reference to the question whether protection should also cover symbols such as the contours of a geographical area (**Question 14**): it is clear that figurative elements (drawing, shape, colours, etc.) can be strongly associated to a given GI, in the mind of the public. However, none of the existing GI schemes allows for some express protection over such figurative elements. Therefore, while ECTA favours in principle the possibility of granting express protection to figurative elements, a global reflexion should be conducted, which should not be limited to non-agricultural GIs.

**Questions:**

**27. Would harmonising national legislation be sufficient to effectively protect GIs for nonagricultural products across the internal market, or do you consider that a single EU level protection system is required?**

**28. If you are in favour of a single EU system, should national systems of protection (e.g. the current *sui generis* national laws) continue to coexist? Please explain.**

ECTA favours a single and autonomous EU GI scheme, exclusive of any national scheme. The coexistence and superposition of nationals and EU systems would solely bring complexities, while the system should remain easily legible and manageable.

There is a fundamental difference with the trade mark system, where the coexistence of national and European systems is largely justified, for a number of reasons.

**Questions:**

**29. If a new system were to be developed, do you think there should be a registration process to protect a non-agricultural GI?**

**30. Do you think that the potential costs of a system of registering GIs outweigh the costs of a system without registration?**

**31. Do you think the registration process should involve a national element, e.g. checking compliance with product specifications, indicated geographical area, quality, reputation etc.?**

Registration is needed: this is an absolute necessity for reasons of legal certainty and transparency.

The registration process should be handled at EU level by an existing agency, namely the OHIM in Alicante. Indeed, the OHIM has the human, financial and IT resources to handle a registration process of this nature, even if the proceeding for a GI is longer and more complex than for other IP rights. ECTA is convinced that entrusting non-agri GIs to the OHIM is the best option.

Probably, a national phase could prove useful. This is at least the experience obtained from other GI schemes.

**Question 34: If a new system were to be created, would you agree that an objection process should be included and that it should be open to the same type of interested parties as under the agricultural GI rules?**

Generally speaking, the GI scheme in the EU is overly complex and this situation is detrimental to its efficiency and visibility. ECTA has always advocated a simplification of the system, which eventually should take the form of a single and horizontal legal framework for the EU unitary protection and enforcement of all GIs for any kind of product.

Although in the view of ECTA there is room for improvement of the current system (see e.g. ECTA's letter to the Commission of 26 May 2014 with reference to its administration), for the sake of coherency and simplification, we would agree that the new system should include an objection process and that it should be open to the same type of interested parties as under the agricultural GI rules.

**Question 37: What scope of protection should be granted for non-agricultural GIs in the EU?**

**Question 38: Should the protection granted to non-agricultural GIs match the safeguards already provided to agricultural GIs at EU level. If so, how closely?**

In line with the above, ECTA is of the opinion that non-agricultural GIs should be granted the same scope of protection as that provided for agricultural GI products in the EU, in order to maintain a high degree of coherence between EU provisions on GIs. Additionally, the inclusion (of provisions aiming at protecting GIs when disputes arise on the registration of domain names) as suggested by the Study (pages 322-323) is to be welcomed.

As a consequence, ECTA supports an extensive level of protection that prohibits the use of a registered non-agricultural GI name for products not complying with the specification, against 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.

Furthermore we support an *ex officio* protection of non-agricultural GI name, as already provided for by the current EU GI's systems on agricultural products and foodstuff, wines and spirit drinks.

**Question 39: Would you prefer a system to monitor and enforce non-agricultural GI rights that was exclusively private, public, or a combination of public and private? Please explain, taking into account, if possible, the effectiveness and costs of action to enforce rights.**

A combination of public and private enforcement and monitoring systems would be the most efficient, the most attractive for producers and offer most guarantees to consumers.

The combination of both would indeed guarantee that, should public enforcement not be in stand for a prompt action, the interested and/or injured parties would anyway have the tools for inhibiting the violation of the GI, also in a urgency proceeding, as well as the damages compensation. On the contrary, public enforcement would take the lead in all situations private enforcement is not possible (either for costs or for lack of action of the interested/injured parties).

Moreover, the combination of both means of enforcement would be a useful dissuasive tool against future illicit activities by competitors.

**Question 41 : Do you agree that there should be the possibility to cancel a GI after registration?**

**Question 42 : Who should be allowed to apply to cancel the GI?**

**Question 43: If a new system were to be established, would you agree that a cancellation process should be introduced, with the same terms and conditions as for agricultural GIs?**

Yes. ECTA is in favour of allowing the EU body in charge of the GI and other interested parties (Member States or third countries or third parties having a legitimate interest) to call for the cancellation of a non-agricultural GI, provided that the same terms and conditions as for agricultural GIs are established.

**Question 44: Do you think that GIs and trade marks should be subject to the pure 'first in time, first in right' principle (i.e. the prior right always prevails)?**

**Question 45 : Should GIs prevail, in certain circumstances, over trade marks? Please explain.**

A strict and over-simplified application of the "first in time, first in right" principle would not offer the same protection level to non-agricultural GIs as to agricultural GIs, leading to inconsistencies in EU GI legislation.

ECTA would therefore be in favour of applying the same rules for both agricultural and non-agricultural GIs, to ensure consistency between different EU laws on GIs and WTO law, and of clear provisions on the relationship between trade marks and GIs based on the existing EU GI Regulations.