

## **WIPO Worldwide Symposium on Geographical Indications**

**Yangzhou, Jiangsu Province, China, June 29-July 1, 2017**

***“Where to Go From Here”***

**European Communities Trade Mark Association (ECTA)'s remark**

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### **ABOUT ECTA, FORWARD**

ECTA is a non-governmental organization embracing, within the European Union (EU), the interests of the IP community, including Intellectual property (IP) professional and brand owners. ECTA is a think tank where different views on IP legal issues are exchanged, including views from professionals and experts from non-EU countries, which makes ECTA a highly representative and approachable organization.

ECTA closely cooperates with a number of institutions, including the European Union Intellectual Property Office (EUIPO) and the World Intellectual Property Organization (WIPO), it is often consulted on key legislative matters and provides its opinion on impending issues that have impact on IP, including Geographical Indications (GIs). ECTA also maintains close relationships with the European Commission - DG AGRI for GI-related legislative matters.

ECTA promotes the dissemination of intellectual property culture, knowledge and expertise among its members, the legal community and the industry, in the fields of trade marks, designs, copyright and all other Intellectual Property rights, including GIs. ECTA carefully watches all changes in business dynamics and related administrative and legislative developments that have a direct or indirect impact on GIs.

In ECTA's view, being an axiom that an efficient legal system of protection of intellectual property rights is a key factor of economic growth, GIs make no exception and they should be considered a priority in the pursuit of harmonization within the EU and at a global level. In the EU extraordinary and largely successful efforts have been made in that direction and a high level of harmonization has been reached.

ECTA encourages legislative simplification at all levels. In the EU there currently exist different GI schemes, aka “quality schemes”, for wines, spirit drinks, foodstuff and agricultural products, aromatised wines. These schemes are identical one another in some respect, but different in others. Regarding handicrafts, in the EU a limited number of GIs are currently protected through European legislation but only where the goods come from agricultural products. GIs for non-agricultural goods are not currently protected at the EU level but only on a national basis, and in some EU member states only. This inconsistency is expected to be overcome once the European quality scheme for hand crafted goods is adopted but then we will have to confront with a fifth scheme.

While there some reasons justifying the coexistence of different sets of rules for different products, ECTA would welcome the unification of all quality schemes into one single scheme, suppressing all the differences or most of the same. For instance, for the interested circles it is hard to understand why GIs for wines in the EU can be PDOs or PGIs while spirit drinks scheme envisages only PGIs.

### **LISBON SYSTEM**

With regard to the reform of the Lisbon system, ECTA has followed closely the initiatives of WIPO aiming at revising the Lisbon Agreement and has participated to the sessions of the Working Group on the Development of the Lisbon System since 2009 and is represented at the Diplomatic Conference.

ECTA strongly supports the revision of the Lisbon Agreement, whose actual impact has been historically weakened by the relatively small number of member countries and the absence of many major countries that are key markets for European and non-European GIs. ECTA, in particular, approves the introduction of the dual regime of appellations of origin and geographical indications, consistently with the EU quality schemes in the foodstuff and wine sectors, the introduction of the possibility for intergovernmental organizations to be part of the treaty, the adoption of a high level of protection, closer to that granted under the EU regulations.

Furthermore, under the Lisbon system all categories of products can be protected under a single regime, which is exactly what ECTA would welcome within the EU.

### **THE IMPACT OF THE RECENT EU TRADEMARK REFORM ON GIs**

On 16 December 2015, the European Trademark law, Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark, was amended by Reg. (EU) 2015/2424. Part of the amendments entered into force on 23 March 2016, while a second set of rules will enter into force on 1 October 2017. The implementing regulation will be completed and published soon. What was formerly known as Community Trademark (CTM) is now renamed European Union trade mark (EUTM).

In general, ECTA is satisfied with the recent EU Trademark Reform with respect to its impact on GIs-related issues. Pursuant to the amended EUTMR, it is now clearer that the following IPRs are included in the scope of protection under absolute grounds examination: (i) all GIs, PDOs and PGIs registered under the current EU schemes on wine, spirits, foodstuffs, aromatised wines, (ii) GIs protected in the EU through international agreements between the EU and third countries, (iii) AOs originating in EU Member States and registered under the Lisbon Systems for goods which are not subject to a specific EU PDO/PGI scheme and (iv) GIs protected in EU Member States by virtue of national law (except subject matters EU has exclusive competence) or international agreements. *Ex officio* protection through absolute grounds examination has been extended to “Traditional Terms” for wines (“TTs”, for instance “Amarone”, “Gran Cru”...) and the Traditional Specialties Guaranteed (TSGs) (“Pizza Napoletana”).

The EUIPO examiners must raise absolute grounds refusals against EUTM applications in all situations where the relevant GI scheme provide that, under certain conditions, trade marks conflicting with GIs must be refused or cancelled. For instance, under art. 102 Reg. EU 1308/2013 (wine scheme), *the registration of a trade mark that contains or consists of a protected designation of origin or a geographical indication which does not comply with the product specification concerned or the use of which falls under Article 103(2), and that relates to a product falling under one of the categories listed in Part II of Annex VII shall be: refused if the application for registration of the trade mark is submitted after the date of submission of the application for protection of the designation of origin or geographical indication to the Commission and the designation of origin or geographical indication is subsequently protected; or (b) invalidated.*

A new specific opposition ground, provided under EUTMR (Art. 8(4a)), will streamline oppositions and invalidity action against later EU trademarks where based on earlier PDOs or GIs.

While the EU Trademark reform has not significantly changed the rules governing the EU collective trademark, it has introduced a brand new EU Certification Mark (EUCM) which did not exist under the prior Regulation. According to the new Regulation, (Art. 74a), a “*EU certification mark shall be an EU trade mark which is described as such when the mark is applied for and is capable of distinguishing goods or services which are certified by the proprietor of the mark in respect of material, mode of manufacture of goods or performance of services, quality, accuracy or other characteristics, with the exception of geographical origin, from goods and services which are not so certified*” ... Regarding the ownership entitlement, “*Any natural or legal person, including institutions, authorities and bodies governed by public law, may apply for EU certification marks provided that such person does not carry on a business involving the supply of goods*

or services of the kind certified". As to the grounds of refusal, it will be interesting to see how EUIPO will apply new Art. 74c under which "An application for an EU certification mark shall also be refused if the public is liable to be misled as regards the character or the significance of the mark, in particular if it is likely to be taken to be something other than a certification mark". This ground of refusal could have a very broad applicability. ECTA, through its GI committee is commenting on how the EUIPO intends to implement the new certification scheme. There is a number of issues to be investigated. For instance, since EUCM is not allowed for geographically descriptive terms so that a EUCM "Champagne" could not be registered, it is uncertain the treatment of terms not geographically descriptive as such, but nonetheless registered as GIs, such as Cava, Feta and many others. ECTA is committed to try respond to this and other questions in the coming months.

### **TOO MANY LEGAL MEANS TO PROTECT GIs ?**

One of the biggest hurdles the interested circles in GIs protection at an international level must deal with is the diversity of available means to protect GIs. Especially in countries where no GI *sui generis* legislation and GIs registration procedures exist, or such legislation is not fully implemented or enforced *ex officio* by authorities, there is often the need to rely on other legal means which can function as indirect tools to protect GIs, including labelling laws, unfair competition laws, passing off, misleading advertising laws, consumer protection laws, and, of course, collective marks and certification marks.

However, seeking protection through these alternative means is more difficult and expensive, they require more work by the GIs producers, and the experience shows that the route of *sui generis* legislation should be preferred since it simplifies the enforcement of GIs. The development of the Lisbon system goes that way.

### **ADVANTAGES OF "GI-FRIENDLY" LEGAL SYSTEMS**

In ECTA's view a solid legal protection of GIs brings a number of advantages:

- It helps producers promote their goods and turn the GI into a valuable commercial asset
- It helps producing countries to internationally expand their most traditional product
- It is crucial to the defence against counterfeiting and misappropriation, also in respect of unrelated products when the GI enjoys a high degree of reputation
- It is crucial to prevent, better than any other means such as collective marks or certification marks, the risk that the name becomes or is treated as a generic term
- The local communities get multiple direct and indirect benefits, including the creation of more jobs, a more efficient redistribution of the added value across the production chain, growth in tourism attractiveness for the region, general increase of the allure of a region, with positive effects also on unrelated products
- It helps educating the citizens and consumers and a better informed consumer has higher expectations and demands and is less likely to be fooled by fakes or misleading products
- It safeguards not only the product as such, but helps maintain cultural and heritage diversity

### **TAKEAWAYS: Where future efforts on GIs should be directed, some "key words"**

There are a number of challenging issues that could be included in an ideal action plan for GIs at a global level:

- **INFORMATION:** all circles interested to GIs, from consumers to TM offices' examiners, should have a more direct and easier access to legal information on GIs globally. It is often hard to understand exactly if, to what extent and where a specific term is protected. A common and centralized source of legal information on GIs would certainly make life less miserable. ECTA is happy to know that other organizations are working on the project of a worldwide GIs database.

- CLARITY AND SIMPLICITY: now, at least in the EU, a number of European laws, national laws, bilateral treaties, multilateral treaties, specific GI schemes impact on GIs. Simplification would not only improve things for European interested circles but would be beneficial to third countries willing to register and enforce their GIs in the EU and would streamline the negotiation of international treaties for EU
- LISBON: Promoting and developing the Lisbon system will pave the way for accession to new countries so that one could hope that in the long term the Lisbon system will be as much successful as the Madrid system for international trademark registration.
- EUROPEAN UNION: the EU, through decades of experience in legislation and enforcement of GIs, has accrued a great deal of experience on GIs protection and related issues, such as conflict between GIs and trade marks or GIs vs genericness, so perhaps third countries could take advantage of this experience, especially for what concerns the desirable development of *sui generis* legislation in countries where it does not exist yet.
- SUI GENERIS PROTECTION, FIRST OPTION: *sui generis* protection of GIs should be preferred to other means of protection. A GI registration still gives a territorial right, there is no limitation in time, no renewal procedure, no use requirements in oppositions or litigations. Furthermore, rights of third parties can be exercised through opposition against GIs during the GI registration procedure and a GI scheme can provide the possibility for anyone to seek cancellation of a GI when the use of same has been discontinued for a certain time. Coexistence with earlier trade marks can be regulated. The current alternatives (mainly certification marks and collective marks) have many limits and do not provide the same guarantees, security and public protection to consumers that a GI can offer.