Geographical Indications in the EU

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European Commission
Appellations of origin are a special kind of geographical indication (GI). GIs and appellations of origin require a qualitative link between the product to which they refer and its place of origin. Both inform consumers about a product’s geographical origin and a quality or characteristic of the product linked to its place of origin. **The basic difference between the two concepts is that the link with the place of origin must be stronger in the case of an appellation of origin. The quality or characteristics of a product protected as an appellation of origin must result exclusively or essentially from its geographical origin.** This generally means that the raw materials should be sourced in the place of origin and that the processing of the product should also take place there. In the case of GIs, a single criterion attributable to geographical origin is sufficient – be it a quality or other characteristic of the product – or even just its reputation.

(WIPO)

Shortcomings:
- Limited to appellations of origin
- Only 28 contracting parties from Central and South America, Africa, Asia and Europe (including 7 EU MS: Bulgaria (1975), Czech Republic (1993), France (1966), Hungary (1967), Italy (1968), Portugal (1966), Slovakia (1993))
- International organizations like the EU cannot become members

Objectives:

- refining the current legal framework,
- extension of the system beyond appellations of origin to all geographical indications,
- Inclusion of the possibility of accession by intergovernmental organizations (like EU)

Diplomatic Conference for the Adoption of a new Act of the Lisbon from (May 2015) adopted "Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications"
Geneva Act

All GIs are covered, not only appellations of origin

Possibility for international organizations to become member

Compatible with EU legislation, notably:

- Level of protection achieved is broadly equivalent to relevant EU legislation (Article 11)
- Protected designations may not subsequently become generic (Article 12)
- Coexistence with prior trademark foreseen
EU Quality Designations

PDO: Protected Designation of Origin

PGI: Protected Geographical Indication

Geographical Indications (GIs)
Legislation

Agricultural products and foodstuffs - PDO, PGI
Regulation (EU) No 1151/2012

Wines – PDO and PGI - Regulation (EC) No 1308/2013

Spirits – GI - Regulation (EC) No 110/2008

Aromatised wines – GI- Regulation (EU) No 251/2014
How are GI regulated?

- WTO TRIPS agreement as framework
- In the EU: a uniform and exhaustive system of protection for agricultural products
- Member States - deal with other, non-agricultural/handicraft products
Protected Geographical Indication (PGI)
Protected Designation of Origin (PDO)

1. Defined geographical area + 2. Specific product + 3. Link between 1. and 2. = PDO
PGI
PDO:
Product’s qualities or characteristics are due to the geographical environment with its natural and human factors.
PGI/GI: Product has specific quality, characteristics or reputation attributable to its geographical origin
## Comparison

<table>
<thead>
<tr>
<th></th>
<th>PDO</th>
<th>PGI/GI</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Name</strong></td>
<td>Specific place, region or country (exception)</td>
<td>Specific place, region or country</td>
</tr>
<tr>
<td><strong>Production steps</strong></td>
<td>All in the geographical area (GA)</td>
<td>Production in GA (wines and spirits)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>At least one in GA (foodstuffs)</td>
</tr>
<tr>
<td><strong>Raw materials</strong></td>
<td>GA (variety Vitis Vinifera for wines)</td>
<td>Anywhere (85% grapes from GA)</td>
</tr>
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Protection of PDO/PGI

- Valuable **intellectual property right** (collective right)
- Protection of the **name** not of the product
- Against any **misuse, imitation or evocation** and any other practice liable to mislead the consumer
- Right to use: applies to **any operator** within the geographical area respecting product specification
- Protection **unlimited in time** (but possibility of cancellation if compliance with the product specification is no longer ensured)
How to register a GI?

• Initiative must come from a producer group
• Check at EU level incl. worldwide opposition
• Registration at EU level
• DOOR, E-Bacchus + E-Spirit databases
• Use of logo
Examination of GIs – direct application procedure
Registered GIs (3373) by Sector - End 2017

- Food: 1363
- Wine: 1758
- Spirit drinks: 247
- Aromatised wines: 5

Total: 3373

Agriculture and Rural Development
Classification of GIs – End 2017

- Wine, 1758
- Spirits, 247
- Fresh fish, molluscs, crustaceans, 47
- Meat based products, 176
- Fresh meat (and offal), 164
- Cheeses, 234
- Oils and fats, 133
- Other products of Annex I of the Treaty, 62
- Beers, 20
- Other products of animal origin, 44
- Fruit, vegetables, cereals, 382
- Aromatised wines, 5
- Other products, 27

22/1/2018
Registered 3C GIs by Country, Total (29) - End 2017

- China: 10
- Thailand: 4
- Turkey: 3
- Andorra, Brazil, Cambodia, Colombia, Dominican Republic, Guatemala, India, Indonesia, Norway, Peru, USA, Vietnam: 1
The sales value

- Estimated **sales value** of EU GIs: **€54.3 billion** in 2010 (estimated at wholesale stage in the region of production)
  
  = 5.7% of the total EU food and drink sector

- Estimate of EU GI **exports value**: **€ 11.5 billion**
  
  = 15% of EU food and drink industry exports
Sales value of GI products by Sector
(2010, 54,3 billion €)

- Wines: 56%, 30,4 billion €
- Spirit drinks: 15%, 8,15 billion €
- Aromatised wines: 0%
- Agricultural products and foodstuffs: 29%, 15,75 billion €
60% of sales take place on the domestic market, 20% on the EU market, and 20% in third countries.

Source: AND study for the European Commission
Value premium rate by scheme (in 2010)

- Wine: 2.75
- Spirits: 2.57
- Agr prod. and food.: 1.55
Why we love GIs?
What's in it for producers?

• Stronger position in the food chain
• Value added to products
• Better price: 2,3 times price of standard product on average
• Registration provides protection
• "One-stop shop" for EU wide protection
Six more reasons to protect GI

• GI maintain jobs in rural areas

• GI help the local economy

• You can't re-locate GI and move production abroad

• GI support tourism

• GI protect & reassure consumers about origin

• GI protect diversity & heritage in a globalised world
# Intellectual Property Rights

## EU GI

<table>
<thead>
<tr>
<th>Feature</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>Right holder</td>
<td></td>
</tr>
<tr>
<td>Identify the geographical origin</td>
<td></td>
</tr>
<tr>
<td>Collective right</td>
<td></td>
</tr>
<tr>
<td>Free of charge</td>
<td></td>
</tr>
<tr>
<td>Protection: indefinite in time</td>
<td></td>
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<tr>
<td>Cannot be delocalised, sold, licensed</td>
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## Trademarks

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<tr>
<td>Right owner</td>
<td></td>
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<tr>
<td>Identify the commercial origin of a product</td>
<td></td>
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<td>Private right</td>
<td></td>
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<tr>
<td>Costs</td>
<td></td>
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<td>Shall be renewed (in the EU: every 10 years)</td>
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<tr>
<td>No relevance where the production take place, might be transferred and licensing is possible</td>
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Intellectual Property Rights (2)

**EU GI**

All GIs have product specifications

In the geographical area all producers can use the GI free of charge if complies with the product specificities

Ex officio protection/administrative protection + GI holder shall be proactive in enforcing its rights (civil + criminal procedure)

Quality control by the Competent Authority

**Trademarks**

For the registration no need to submit product specifications

It depends on the TM owner how it makes possible the use of the TM

The TM owner shall enforce its IP right through civil/criminal procedure

No quality control
Official controls

- **Product compliance with the corresponding specification**
  - Before placing the product on the market

- **Use of the name in the marketplace**
  - Checks based on a *risk analysis*

- **Audits by the Commission services**
Questions?

More information:

Quality policy web-page:
EU website Agriculture and rural development

International trade and geographical indications:
EU website Agriculture and rural development

DOOR database:
EU website Agriculture and rural development

E-BACCHUS database:
EU website Agriculture and rural development

E-SPRIT-DRINKS database:
EU website Agriculture and rural development