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Evans, GE

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### The comparative advantages of geographical indications and Community trade marks for the marketing of agricultural products in the European Union

G.E. Evans

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Regulation 207/2009 on the Community trade mark

#### *\*IIC 645 Introduction*

The first European framework for the registration of geographical indications and designations of origin was created in 1992.<sup>1</sup> A feature of Community policy on agriculture and product quality,<sup>2</sup> Regulation 2081/92 was enacted with the twofold objective of increasing the quality of products and promoting the diversification of production, so as to better balance supply and demand, improve the incomes of farmers and benefit rural areas.<sup>3</sup> While recent empirical studies suggest that the protection of geographical indications (GIs) for specialty agricultural products can potentially benefit the rural economy,<sup>4</sup> the system remains relatively underutilized by the majority of countries.<sup>5</sup>

In fact, filing statistics for the GI system reveal a pronounced discrepancy in the number of registrations filed by country of origin. The breakdown reveals that seventy percent of geographical names for agricultural products and foods are registered to just four states, Italy, France, Spain and Portugal.<sup>6</sup> *\*IIC 646* Likewise, the relatively small number of registrations from producers in third countries reflects a similar pattern, in as much as applications tend to come from China, India, Thailand and Colombia.<sup>7</sup> Country specializations in agricultural products and foods, exemplified by France possessing twenty-seven percent of registered names for cheese<sup>8</sup> are not sufficient to account for such a marked discrepancy. It is far more likely that a matrix of factors - from the cost of administering inspections and controls; a lack of infrastructure for transportation; and differences in the methods of agricultural production; to the inability of producers to mobilize as a group - is contributing to the discrepancy in the registration of geographical names per country.<sup>9</sup>

In 2006, against a background of growing global competition for agricultural commodities and value-added products, the European Commission announced a policy review of the Community system for the protection of GIs.<sup>10</sup> One of the chief topics identified for review was the use of the trade mark system as an alternative instrument for the protection of GIs.<sup>11</sup> Subsequently, in the "Green Paper on Agricultural Product Quality" of 2008 and the "Impact Assessment Report on Agricultural Product Quality" of 2009, the Commission affirmed the value of identifying the complementarities between the trade mark and GI systems.<sup>12</sup>

Are there grounds for claiming that a more active promotion of the Community trade mark as an alternative instrument for the protection of GIs might ultimately serve to increase the number of registrations? While well-known geographical indications, such as "Parmigiano Reggiano" or "Café de Colombia" are registered under both the GI and Community Trade Mark (CTM) systems,<sup>13</sup> dual protection is a strategy that is by no means widely *\*IIC 647* adopted by producer groups. Nevertheless, it is submitted that an appreciation of the mutually supporting roles of the GI and CTM can assist agricultural enterprise to achieve the consumer recognition necessary to the creation of reputation based on geographical origin.

One of the problems producers face in testing the merit of this hypothesis is that relatively little is known of the comparative advantages of the two systems for the marketing of agricultural products. Therefore, the aim of this article is to compare the registrability of geographical names under the GI and CTM Regulations in light of their respective capacities to accommodate the landholdings, yields

and marketing plans of diverse agricultural undertakings. In realising this aim, a strategic view of registration is adopted, one that considers not only the legal requirements for obtaining a valid GI or CTM, but also the degree to which differing forms of commercialization may facilitate the marketing of agricultural products under differing conditions of production and levels of economic development.

Accordingly, Part I examines the conditions for registration for each of the GI and CTM Regulations, taking account of the problems producers may encounter in correlating the legal requirements with the nature of agricultural production. Part II examines the comparative advantages of the GI Regulation when attempting to overcome the difficulties in registering a geographical name that has become generic for the type of product. Part III examines the differing forms of commercialization associated with the GI and CTM, to the extent that each may allow producers to exercise control over supply, distribution and price. Part IV explains how applicants may compensate for limitations in the scope of trade mark protection by also applying for registration under the GI regime. In conclusion, it is submitted that whereas the CTM offers producer groups the flexibility necessary to achieve the consumer recognition necessary to the creation of product reputation based on geographical origin, subsequently the greater breadth of protection offered by the GI system will better maintain price premium.

### ***I. Contrasting Characteristics of Geographical Indications and Community Trade Marks***

European law provides two means of protecting geographical names for agricultural products and foodstuffs: the Community Regulation on the Protection of Geographical Indications and Designations of Origin (GI Regulation),<sup>14</sup> and the Community Trade Mark Regulation *\*IIC 648* (CTM).<sup>15</sup> Although the GI Regulation was enacted with the express aim of promoting small agricultural enterprise, both Regulations share a common goal in so far as they were intended to create the legal conditions which would enable commerce to adapt its activities to the scale of the Community.<sup>16</sup> The CTM is a unitary right providing registered trade mark protection throughout the European Union,<sup>17</sup> renewable at ten year intervals, indefinitely, whilst ever the mark continues in use. Similarly, the Community-wide rights accorded protected geographical indications (PGIs) and protected designations of origin (PDOs) are of indefinite duration, so long as the conditions of the product specification continue to be met.<sup>18</sup>

To all appearances, the functions of PGIs, PDOs and CTMs are similar. Consider the designation, "Café de Colombia". As either PGI or CTM, the name is capable of indicating in short form valuable information about the origin of the product. Whereas a GI describes an agricultural product that originates in a specific place from which its reputation is derived,<sup>19</sup> a CTM identifies the source of the product as originating from a particular undertaking. Both the GI and the CTM enable consumers to predict the quality of the products they purchase, thereby saving search costs.<sup>20</sup>

Nevertheless, the functional similarity of the GI and CTM do not mean that the two forms of protection are identical or result in identical outcomes. Procedurally, the CTM system has an undoubted advantage, given the relative convenience and cost effectiveness of registration. Any natural or legal person can apply for a CTM registration. In the first place, applications can be filed either through the Trade Mark Registry of an EU Member State or directly at the Office for Harmonization in the Internal Market (OHIM).<sup>21</sup> Secondly, since the European Union's accession to the Madrid Protocol for *\*IIC 649* the International Registration of Marks, based on a valid home registration, applicants can simply designate the CTM system when applying for an international registration.<sup>22</sup>

In contrast, as the EU system for the registration of GIs is a *sui generis* regime, there is an independent filing procedure.<sup>23</sup> Groups of producers from Member States apply directly to their national authorities, who subsequently forward applications to the European Commission for further scrutiny.<sup>24</sup> Following the amendment of the GI Regulation in 2006,<sup>25</sup> the procedure for third-country applicants was simplified so that they also benefit from a one-step process, either filing applications online or sending them to the Commission via their national authorities.<sup>26</sup> In the case of third-country applicants, the GI must be protected in its country of origin.<sup>27</sup> In either case, CTM or GI, the chief advantage of the Community registration systems is that protection is obtained throughout the twenty-seven Member States of the EU with the relative ease and economy of a single application.

Nevertheless, beyond the similarity of their general contours, there are substantive differences that impact upon their respective registrability and scope of protection. When considering a filing strategy, such differences should be considered, as they may have not only legal but also financial consequences. For example, applicants for CTMs consisting of geographical indications are likely to spend proportionately more on prosecuting or defending opposition actions, due to trade mark law's

presumption that geographical names are prima facie descriptive, and therefore available for the use of other traders *\*IIC 650* throughout the single market.<sup>28</sup> Part I therefore begins by identifying the types of geographical indications available, their respective conditions for registration as well as the problems some agricultural undertakings may experience in fulfilling those conditions. Thereafter, it considers the extent to which applying for a CTM may provide a possible alternative.

## A. The Community Regulation on the Protection of Geographical Indications

Community Regulation 510/2006 on the Protection of Geographical Indications<sup>29</sup> provides two different types of geographical indication. Groups of producers are entitled to apply for registration of either a PDO or a PGI.<sup>30</sup> The first question as to the choice of instrument, therefore, requires knowledge of the distinguishing features of the PDO and PGI.

### 1. Differences Between PDO and PGI Regarding the Linkage Between Product and Place

While the PDO and the PGI each bear a distinctive relationship to the place of production, each differs in the character of that relationship. The requirements for a protected designation of origin (PDO) are more stringent in so far as the product must not only originate in the place, but its quality must be exclusively due to a particular geographical environment with its inherent natural and human factors. To qualify for a PDO, the product must be produced within the specified geographical area, and the product's quality or characteristics must be "essentially due to that area".<sup>31</sup> For example, the reputation of "Feta"<sup>32</sup> as a PDO is held to be "essentially due" to a particular geographical environment, in so far as there are natural and human factors which give this cheese its particular characteristics, including the amount of sunshine, the character of the vegetation and the practice of transhumance.<sup>33</sup>

*\*IIC 651* In addition, the production, processing and preparation of the product must take place within the defined geographical area.

By comparison, the protected geographical indication (PGI)<sup>34</sup> is broadly enough defined for most locally-based products to take advantage of its protection. The PGI requires the product to be produced, processed, or prepared in the geographical area, and the quality, reputation, or other characteristics to be generally "attributable" rather than "essentially due" to that area. At its most attenuated point, the definition of a PGI simply requires a link between the product and the reputation of the place.<sup>35</sup> The product need not originate entirely from the defined area and need only have one particular quality, rather than the majority of the food's characteristics, that is attributable to the geographical area.

Therefore, the choice between PDO and PGI will turn on the proximity of the product with the place of production. This means taking account of the character of the place of origin, including the landholding, climate, number of producers, method of production and the size of the area of production. For example, in the case of Prosciutto di Parma (Parma Ham) the entire production can take place within the defined area of Parma. In such cases, provided a direct link between the place and the product can be demonstrated, the PDO will be the better choice.

### 2. Sourcing Raw Materials

When considering the scope of protection, the PDO is capable of providing the stronger rights as it normally includes all elements of production and processing in the specification.<sup>36</sup> However, if production necessitates the sourcing of raw materials from outside the defined geographical area, then the PGI is the better choice. In the case of the PGI "Spreewälder Gurken"<sup>37</sup> the European Court of Justice (ECJ) ruled that a foodstuff may be treated as originating from the geographical area concerned if it is processed or produced in that area, even if the raw materials are sourced from outside the defined area.<sup>38</sup> Thus, the PGI application for "Cornish Pasty", a vegetable and meat-filled pocket of pastry, concedes "although there is no requirement for the raw ingredients to be sourced from within Cornwall in practice much of it continues to be supplied by local farmers".<sup>39</sup> The possibility of sourcing *\*IIC 652* all raw materials from outside the defined geographical area makes the PGI a very flexible form of protection. There would be few producer groups having the capacity to collectively mobilize production that would not be able to take advantage of the marketing exclusivity offered by the GI system.

### 3. Defining the Geographical Area of Production

Significantly, no specific criteria exist for delimiting the geographic area. Factors extraneous to the linkage of quality production with the land, notably political or linguistic boundaries are considered irrelevant, in so far as the natural and human factors inherent in a given product are likely to transcend administrative borders. In *Feta*, the Grand Chamber of the ECJ stressed that the terms “region” and “place” found in Art. 2 of the GI Regulation may be interpreted only from a geomorphological and non-administrative viewpoint.<sup>40</sup> The court has consistently stated that “an area of origin which is defined on the basis either of the extent of national territory or a linguistic criterion cannot constitute a geographical area capable of justifying an indication of origin”, particularly when the products in question could be produced from raw materials of indeterminate origin.<sup>41</sup>

When filing for a PDO or PGI, difficulties are more likely to arise over the exclusion of producers from the defined geographical area. Under the Regulation, only those producers who are established in the defined geographical area are collectively entitled to exercise the rights attached to the PDO or PGI. The definition of geographical area has the potential to upset established market shares and can readily give rise to objections by competitors who are excluded from the defined area and at worse, to litigation.<sup>42</sup> Unless conflict over the definition of the geographical area is resolved expeditiously, it may lead to loss of trade mark rights, since a successful GI application means that producers outside the defined area will be given five years to phase out their use of the geographical name in relation to the product in question. Producers outside the defined area will be obliged either to rebrand their product, or move their production within the protected territory.

To avoid objection, it is therefore advisable to consider the location of producers, in order to forestall claims that the area in question has been *\*IIC 653* determined in an artificial manner.<sup>43</sup> For example, when the initial specification for the PGI “Melton Mowbray” excluded Northern Foods Plc (a large producer) from the defined geographic area, the company sought to oppose the application. While the proposed area encompassed a 1,800 square mile region of the English Midlands, including Leicestershire, where the market leader, Samworth Brothers, produced sixty-two percent of the product, it excluded those towns in Shropshire and Wiltshire, where Northern Foods held twenty-eight percent of the market. In *Northern Foods Plc v. The Department for Environment, Food and Rural Affairs*, the opponent unsuccessfully challenged the decision of the Department of the Environment, Food and Rural Affairs (DEFRA) to forward to the European Commission the application by the Melton Mowbray Pork Pie Association.<sup>44</sup>

The issue of whether the definition of the geographical area satisfies the required elements of Art. 2 of the GI Regulation should be referred to the various criteria linking the product with a specific place. The question is whether the geographical area as defined constitutes an environment which possesses the specific natural and human factors capable of giving the product its particular characteristics.<sup>45</sup> For example, in the case of *Feta*, the geographical area is defined by reference to the mountainous nature of the terrain, the mild winters and the typical vegetation of the Balkan mountain range. Correspondingly, the reputation of Feta is specified as “essentially due” to the defined area of Greece, in so far as “the development of small native breeds of sheep and goats ... fitted for survival in an environment that ... in terms of quality, is endowed with an extremely diversified flora, thus giving the finished product its own specific aroma and flavour”.<sup>46</sup> In short, the aim is to identify those homogenous natural features that distinguish the defined geographical area from adjoining, excluded areas.<sup>47</sup>

Alternatively, if a producer group needs to move periodically to practice agriculture on new land, then the PDO or PGI is clearly not the most suitable form of protection. For example, the case of the PGI “Newcastle Brown Ale” shows that if a particular landholding disappears for commercial or environmental reasons, then so will the form of protection. In 2004, Scottish and Newcastle Brewery closed the Tyne Brewery and moved the *\*IIC 654* production of Newcastle brown ale from Newcastle to the Federation Brewery in neighbouring Gateshead. As a result, the product was no longer in compliance with the PGI specification with the result that the classic beer from the north of England was no longer entitled to protection under the GI system.<sup>48</sup> Thus, if producers need to move their agricultural practice, or if production disappears from a particular location due to increasing urbanization, then strategists would be better advised to consider the CTM system.

#### B. Creating a Reputation Based on Place Under the CTM Regulation

Groups of producers, who may be lacking or unable to make the necessary linkage of the product's



reputation with the place of production, should consider the CTM system. Claims made in favour of the capacity of the GI system to provide the most effective means of marketing agricultural products, often overlook the fact that reputation based on place largely follows a pre-existing link with geographical origin. In comparison with PGIs and PDOs, which rely on the past experience of consumers, the advantage of the trade mark lies in its ability to shape the perceptions of the consuming public.<sup>49</sup> Indeed, the ECJ has stressed the importance of the function of the modern mark as a means of communication, providing consumers with various kinds of information about a product.<sup>50</sup>

In order to successfully enter the EU market, producers first need to create a distinguishing sign, together with the reputation that accompanies it. In particular, in the case of GIs from developing countries, the trade mark may offer a better way for producers to launch a marketing strategy based on geographical origin. Thus, the figurative mark, “Café de Colombia”, incorporating the image of the archetypal coffee grower Juan Valdez, provides a means of communicating to consumers the quality and traditional features of the product.

### 1. Difficulties in Linking Reputation and Place

In cases where difficulties arise over the linkage of reputation and place, the CTM provides an alternative filing strategy. When seeking to register a PGI or PDO, the applicant needs to make a case for the linkage of the product with the place. At its broadest the PGI at least requires a description of how *\*IIC 655* the quality or reputation is attributable to the defined geographical area. Thus, the application for a PGI for “Cornish Sardines” asserts that the “characteristics of the Cornish Sardine are linked to the geographical area on the basis of the tradition of catching and processing.”<sup>51</sup>

In contrast, in the case of the CTM, there is no need to define the linkage or the designated area. The CTM is independent of any link between the product and its geographical origin. Producers may be situated anywhere in the state or region. It is not necessary for the goods to be produced in the geographical location in order for them to be associated with it.<sup>52</sup> Consider, for example, the case of Ethiopia's desire to protect “Sidamo”, as a regionally-based type of Arabica coffee. In Ethiopia, Sidamo is grown by independent farmers on small, widely dispersed plots of land. If the Government of Ethiopia applied to register Sidamo as a PGI it would be required to demonstrate a causal connection between the reputation of the coffee and a defined geographical area. The choice was therefore made to register “Sidamo” as an individual CTM. Consequently, since there is no need for “Sidamo” to be grown within a defined geographical area of Ethiopia, limitations on production and yield are minimized.<sup>53</sup>

### 2. Proof of Acquired Distinctiveness

A trade mark is defined as a sign that is “capable of distinguishing the goods or services of one undertaking from those of other undertakings”.<sup>54</sup> In order to identify the undertaking, a trade mark must possess a secondary meaning that renders it distinctive of the business. The classic problem in seeking to register a geographical name as a trade mark is that the law considers geographical names as prima facie descriptive and therefore available for the use of other traders in respect of the product concerned. To this end, Art. 7(1)(c) of the CTM Regulation prohibits the registration of trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the geographical origin of the goods.<sup>55</sup> As interpreted by the ECJ the registration of geographical names as trade marks is prohibited not *\*IIC 656* only where the names designate places which are, in the mind of the relevant class of persons, currently associated with the product in question, but also in respect of geographical names which are liable to be used in future by the undertakings concerned as an indication of the geographical origin of that category of goods.<sup>56</sup>

Nevertheless, a name that is primarily geographically descriptive of goods or services may be registered if it is shown to have acquired distinctiveness. Community trade mark law allows that through use in the course of trade, geographical marks may acquire the distinctiveness necessary for registration.<sup>57</sup> Individual marks that are geographically descriptive of the kind or quality of the goods or services may be registrable with proof that they have acquired distinctiveness or secondary meaning through use, such that consumers are able to identify the source of the product.<sup>58</sup> Factors relevant to the assessment of acquired distinctiveness were set out in *Windsurfing Chiemsee Produktions v. Boots*.<sup>59</sup> In that case the ECJ found that the name of the well-known Bavarian lake, “Chiemsee”, could be registered for sportswear, if its geographical designation had acquired distinctiveness so it was no longer descriptive but identified the trade origin of the goods. The criteria identified by the

court for assessing acquired distinctiveness, include:<sup>60</sup>

- the market share held by the mark;
- how intensive, geographically widespread and long-standing use of the mark has been;
- the amount invested by the undertaking in promoting the mark;
- the proportion of the relevant class of persons who, because of the mark, identify goods as originating from a particular undertaking.

If, on the basis of those factors, the competent authority finds that the relevant class of persons, or at least a significant proportion thereof, identify goods as originating from a particular undertaking because of the trade mark, it must hold that the requirement concerning the acquisition of distinctiveness is satisfied.<sup>61</sup>

### **\*IIC 657 3. The Community Collective Mark**

As an alternative, the Community collective mark may be used to overcome the problem of geographical descriptiveness, the collective mark being subject to a statutory derogation from the prohibition on the registration of signs that serve to designate geographical origin.<sup>62</sup> Article 66 of the CTM Regulation defines a collective mark as one that is “capable of distinguishing the goods of the members of the association which is the proprietor of the mark from those of other undertakings”.<sup>63</sup> In addition, the Community collective mark is demarcated not by defined area of land but by membership of the association which owns the mark.<sup>64</sup>

### **4. Scope of Product Coverage**

PDOs, PGIs and CTMs are each subject to the principle of “specialty”, in so far as they are protected in relation to certain kinds of products. Under the GI Regulation, coverage of agricultural products is reasonably broad, but applications in respect of foods are somewhat restricted.<sup>65</sup> Although basic foods can be registered including meat, fish and dairy products,<sup>66</sup> the range **\*IIC 658** is limited. For example, as the GI Regulation does not currently include condiments and sauces, the famed fish sauce from Phu Quoc, one of few GIs registered in Vietnam, cannot be registered under the European Regulation.<sup>67</sup>

The CTM offers a viable alternative. The product classifications of the Nice Agreement for the Registration of Marks include a comprehensive range of agricultural products and foods, from commodities to condiments.<sup>68</sup> Protection is open to products of any category, that is, all agricultural products and foodstuffs. The breadth of product coverage offered by the CTM and Nice Classification system will be of particular advantage to those producers in developing countries who find that their product is not eligible for protection under the GI Regulation. Therefore, “Phu Quoc Fish Sauce” might be registered as a collective CTM since Class 30 of the Nice Agreement includes sauces and condiments.

However, as trade mark law generally regards geographical names as prima facie descriptive, the name “Phu Quoc” is open to use by other traders in the product.<sup>69</sup> In recognition of the fact that agricultural enterprises from both European and third countries may be prevented from obtaining the most effective form of registration, the Green Paper on Agricultural Product Quality identified the scope of products covered by the GI Regulation as an issue meriting comment through public consultation.<sup>70</sup> Should the EU adopt a more inclusive coverage of products under the GI Regulation, as recommended by the Economic and Social Committee,<sup>71</sup> it would extend support **\*IIC 659** for GIs from developing countries such as Vietnam, creating the capacity not only to develop export markets, but also to promote the authenticity of the products’ ingredients, and to reduce misleading claims as to product origin.

### **II. Generic Names**

Genericness is a common problem faced by applicants for the registration of geographical designations. A geographical name can, over time and through use, become generic in the sense that consumers come to regard it chiefly as an indication of a certain type of product.<sup>72</sup> In the case of the CTM Regulation, marks which consist exclusively of signs or indications which have become customary in the current language, or in the established practices of the trade, will be refused registration.<sup>73</sup> Such a contingency will make registration of a geographical name a more difficult and

expensive proposition for producers, because of the need to provide evidence that consumers recognize the mark as identifying the commercial origin of the product.<sup>74</sup>

Similarly, the GI Regulation prohibits the registration of names that have become generic. Article 3(1)<sup>75</sup> defines a “name that has become generic” as: “the name of an agricultural product or a foodstuff which, although it relates to the place or the region where this product or foodstuff was originally produced or marketed, has become the common name of an agricultural product or a foodstuff.”

Notwithstanding the similarity of the law, a producer group established within the EU, whose application is likely to meet objection based on genericness, is likely to find fewer legal obstacles and less expense in pursuing a claim under the GI Regulation. Thus, it will be seen that although Feta was considered the generic name for a type of soft, white cheese, nevertheless, it was ultimately registered as a PDO.<sup>76</sup> Part II explains why this is **\*IIC 660** the case by analysing the way in which the ECJ approaches the assessment of generic names under the GI Regulation.

### A. Genericness Under the GI Regulation

In principle, the GI Regulation states that if the evidence indicates that the name in question has a principal significance as a generic term denoting a type of product, registration will be refused.<sup>77</sup> Notwithstanding, the ECJ has ruled that terms such as “Feta”, “Parmesan”, and “Bayerisches Bier”, long considered to have become generic, are protected under the GI Regulation.<sup>78</sup> In the case of *Feta*, despite the European Commission having granted the name PDO status in 2002, the decision was contested. Germany, Denmark, France and the UK applied for annulment of the registration of “Feta” as a PDO, arguing that the name had become generic. However, in 2005, the ECJ dismissed the action, finding their claim, that the name “Feta” was generic within the meaning of Art. 3 of the GI Regulation, unfounded.<sup>79</sup>

Similarly, in the case of *Parmesan*,<sup>80</sup> Germany unsuccessfully argued that although the term “parmesan” had historical roots in the region of Parma, it had become a generic name for hard cheeses of diverse origins, grated or intended to be grated, as distinct from the PDO “Parmigiano Reggiano”.<sup>81</sup> The Grand Chamber of the ECJ took a broad view of the protection accorded such compound designations, rejecting the contention that they are infringed only when used in the exact form in which they are registered.<sup>82</sup> Again, in the case of the PGI “Bayerisches Bier”,<sup>83</sup> the defendant, a Dutch beer producer, failed to convince the court that the term “Bayerisches” or translations of it had become generic for beer produced in accordance with “the Bavarian method” of production which originated during the 19th century in Bavaria, from where it spread throughout Europe.

#### **\*IIC 661 1. Test for Genericness**

The remainder of Part II considers the criteria adopted by the court in finding that these names retained a direct link between the reputation of the product and its geographical origin. In establishing whether or not a name has become generic, Art. 3(1) of the Regulation directs the court to take account of all factors, in particular:

- (a) The existing situation in the Member States and in areas of consumption;
- (b) The relevant national or Community laws.

The ECJ has elaborated these factors at length, finding that, when determining the status of a name, it is necessary to consider the following criteria:

- Supply, that is, the places of production of the product concerned both inside and outside the Member State;
- Persistence of geographic connotation;
- Demand, that is, the consumption of that product inside and outside that Member State;
- How it is perceived by consumers inside and outside the Member State concerned;
- The existence of national legislation specifically relating to that product, and the way in which the name has been used in Community law.<sup>84</sup>

#### **a. Place of production**



Consistent with the definitional requirements for PDOs and PGIs, the first inquiry the court makes is to ascertain the degree of historic connection, if any, between a specific place and the origin of the product in question. In *Bayerische Bier* the ECJ found that the name is generic only if the direct link between the geographical origin of the product and its reputation or a specific quality of that product has disappeared, so that the name does no more than describe a style or type of product.<sup>85</sup> To this end, it is important to provide evidence that the product in question is still made using traditional methods. In *Feta* for example, Denmark claimed that even in Greece, until the late 1980s, Feta-type cheese was not only produced in Greece to methods other than the traditional Greek methods, but that such cheese was also imported under the name “Feta”.<sup>86</sup> On the other hand, a product which fails to comply with the specification or with traditional methods, provided it is made exclusively for export, is not considered relevant to the determination.<sup>87</sup>

### **\*IIC 662 b. Product status under national law**

Evidence that, prior to the application date, traditional methods were not continuously maintained or that some product was imported, will not be necessarily fatal where the national government has acted to preserve the traditional methods of production. For example, the exclusivity attaching to the name “Feta” was saved from loss by the Greek government's enactment of legislation in 1988 to protect the name and to establish a specific geographical area of production, based on locally-sourced raw materials and traditional practices.<sup>88</sup> In addition, evidence of collective marks and bilateral agreements to reserve the name in question, will be persuasive in demonstrating that the name is not generic.<sup>89</sup>

### **c. Character of the market**

The court will consider the character of the market and market share for the product in question. In *Feta* the size of the domestic market was persuasive. The court noted that the consumption of Feta was concentrated in Greece, having been persuaded by the fact that more than 85% of Community consumption of Feta, per capita, per year, took place in Greece.<sup>90</sup>

### **d. Production and consumption**

The court will consider evidence as to the pattern and duration of production and consumption throughout the EU. The chief inquiry involves ascertaining whether the substantial proportion of production takes place within a defined area of the Member State in question. In *Feta*, it was found that while Denmark and Germany had produced substantial quantities for some considerable time, Greece still had the largest production, indicating that the production of Feta had remained concentrated in Greece.<sup>91</sup>

### **\*IIC 663 e. Consumer perception**

The court noted that the majority of consumers in Greece considered that the name “Feta” carried a geographical and not a generic connotation. The court also considered evidence of how the name was perceived by consumers elsewhere in the EU.<sup>92</sup> Significantly, the court noted that in other Member States, Feta was commonly marketed with labels referring to Greek cultural traditions and civilization. The fact that the majority of consumers in Denmark believed that the name was generic was not considered conclusive to the final determination.

### **f. Evaluation**

In determining whether the name had lost its geographical connotation, the court placed particular emphasis on the character of production and marketing, to conclude that the name was not generic.<sup>93</sup> In *Feta*, the court found a persistence of geographical connotation based on the fact that, the majority of cheeses bearing the name “Feta” produced in Member States other than Greece, make explicit or implicit reference to Greek territory, culture or tradition. By inference therefore, the court determined that consumers in those Member States perceived Feta as a cheese associated with Greece, even if in reality it had been produced in another Member State.<sup>94</sup> Similarly, the court in *Parmesan* rationalized that were “Parmesan” a neutral term without geographical connotation, there would be no plausible explanation for the persistent efforts of manufacturers elsewhere to establish through words or images a link between their products and Italy.<sup>95</sup>

## **2. Restrictive Interpretation of Genericness**

The court's restrictive interpretation of genericness means that producers established within the EU stand a good chance of recovering exclusive rights to a name. To all intents, the law only requires that an unspecified proportion of producers use the name in an evocative sense for the reputation of the product to be found still linked to a geographical place. Thus, having rejected claims that "Feta" is generic, the ECJ ruling gave exclusive rights in the name to producers in mainland Greece and the department of Lesbos to market the product throughout the EU.<sup>96</sup>

**\*IIC 664** Nevertheless, applicants with generic or semi-generic names should prepare a defensive strategy, by enlisting the support of their national governments, and by promotional campaigns that aim to influence consumer perceptions of the product as one linked to geographical place. In the case of *Feta*, Greek producers had the long-standing support of their national government and the European Commission, in defending their application against claims made by Denmark and Germany that the name had become generic. Additionally, considering the significance of the home market to a positive evaluation of linkage between production and place, applicants should obtain statistical evidence demonstrating that the largest quantity of the product is produced in their country under the name in question. Finally, to counter claims of genericness, applicants might commission consumer surveys to provide evidence of consumer confusion.<sup>97</sup> In *Feta*, it is clear from the reasoning of the court, that even the slightest risk of consumer confusion will be considered persuasive. There, the court found that the association with the name "Feta" by producers outside Greece was sought intentionally, as part of a sales strategy to capitalize on the reputation of the original product, and this created a risk of consumer confusion.<sup>98</sup>

Although the GI and CTM Regulations prohibit the registration of geographical names that have become generic, the foregoing analysis indicates that there are fewer obstacles to recovering exclusive use of a name under the GI system. Recent case law of the ECJ in *Feta*, *Parmesan* and *Bayerisches Bier* highlights the way in which the court has succeeded in giving a restrictive interpretation to the exclusion of generic names in Art. 3 of the Regulation, to the effect that, if the name retains the ability to evoke the place of production, it will likely be allowed to proceed to registration. Admittedly, those producers in the defined areas may benefit from the increased marketing exclusivity that results from such an attenuated connection with the place where the product was originally produced. Nonetheless, the immediate economic impact on the interests of competitors, who must go to the expense of re-branding and re-labelling, is comparatively discounted.<sup>99</sup> In contrast, the CTM Regulation takes into account the interests of competitors and consumers in stipulating that descriptive signs or indications relating to the categories of goods in respect of which registration is applied for, may be freely used by all, including as collective marks or as part of graphic marks.<sup>100</sup>

### **\*IIC 665 III. Distribution and Marketing**

The advantages of registering a geographical name need to be also assessed by the capacity of producers to utilize the GI or CTM as a vehicle for the marketing the product. In the case of the GI system, the product specification governs production standards as well as the scope of exclusivity accorded the marketing and distribution of the product. In the case of the CTM, the licensing agreement will govern the mode of exploitation.<sup>101</sup> The aim of Part III is to evaluate the forms of commercialization associated with the GI and CTM, by correlating their respective legal requirements with differing conditions of agricultural production and levels of economic development.

#### **A. Product Specifications Governing the Use of GIs**

The GI system offers applicants for a PGI or PDO the opportunity to exercise control over marketing and distribution by utilizing the product specification, which contains the standards and conditions for quality control and inspection. Apart from a description of the protected product, the specification explains the nature of the link between the product and the geographical origin, the sourcing of raw materials, the traditional methods of obtaining the product, and the standards applicable to production and processing.<sup>102</sup>

The specification defines the product in respect of which producers have the exclusive right to use the PDO for those outside the designated area. The publication of the specification in the Official Journal of the European Union<sup>103</sup> serves as notice to third parties of the scope of the proprietor's exclusive rights. The case of *Consorzio del Prosciutto di Parma v. Asda Stores Ltd & Hygrade Foods Ltd*<sup>104</sup> illustrates the breadth with which the specification may be drawn, and the way in which the standards it contains may be enforced against third parties in order to maintain a premium price.<sup>105</sup> The ECJ

affirmed that under the GI Regulation the Consorzio di *\*IIC 666* Parma, as proprietor of the PDO, had the right to restrain the retail sale of Parma ham which had not been sliced, packaged, and labelled in the region of production, provided that it was consistent with the specification.

Given the connection between the owner's rights as provided for in Art. 13 of the GI Regulation and the specification, a broadly drafted product specification can be of considerable advantage, providing producers with the means to control the conditions of product processing throughout the EU<sup>106</sup> in circumstances where a dominant actor attempts to use its market power to undercut premium pricing.<sup>107</sup> By comparison, under trade mark law, it would not have been possible for a group of producers to prevent the activities of Asda Stores. In the absence of collective power, it would be difficult for primary producers, to enforce a licence agreement containing such terms respecting local slicing and packaging on the basis of quality control. Under the GI Regulation however, smallholders have the support of European agricultural policy which, as the *Asda* decision indicates, holds that it is socially optimal to relax anticompetitive laws, to allow producers to collude, if this leads to the creation of a geographically differentiated product that may not otherwise exist.<sup>108</sup>

## 1. Need for Inspection Procedures

While the ability to determine the breadth of the product specification offers significant advantage,<sup>109</sup> producers will only be in a position to reap the benefits of GI protection provided their undertaking is able to call upon the resources and sustain the costs of regular inspection.<sup>110</sup> A PGI or PDO is *\*IIC 667* only valid in so far as the product is certified to be in conformity with the specification.<sup>111</sup> To this end, the GI Regulation requires the specification include details of inspection structures.<sup>112</sup> Consequently, the applicants' home state is obliged to have in place an inspection system, to be able to provide the monitoring and compliance structures necessary to ensure that the product conforms to the specification.<sup>113</sup> In the case of foreign applicants, third countries are not expected to have identical inspection procedures to those pertaining in the EU, but they must be able to satisfy the European Commission that they have equivalent structures.<sup>114</sup>

Without adequate support from government, producers themselves may need to invest in the technologies required to perform the necessary tests. For example, in a country the size of Ethiopia, the establishment of a certification-style system would have been too expensive and, given the nature and size of the territory under coffee cultivation, simply unworkable. Consequently, for all the competitive benefits that producer groups may derive from GI protection, there may be practical and resource-based considerations that make it a less attractive, more costly and possibly uncertain form of protection.<sup>115</sup>

## B. Regulations Governing Use of Community Collective Marks

Alternatively, producers might consider the Community collective mark. While applicants are required under Art. 67 of the CTM Regulation to submit regulations governing its use,<sup>116</sup> the requirements are not prescriptive as to content or inspection procedures. Apart from specifying the persons authorized to use the mark and the terms of membership of the association, proprietors are free to choose whether or not they wish to specify conditions for the use of the mark. The producer group can similarly reserve the right to exercise actual control, either directly or through a third party agent. The collective mark offers a "flexible specification" in the sense that the regulations governing use allow producers greater freedom to determine the conditions for production, distribution and quality control. The Community collective trade mark, therefore, has the advantage of allowing new agricultural *\*IIC 668* undertakings the opportunity to match the conditions of production to their current level of development.

However, neither the GI nor the Community collective mark permit the proprietor to control *who* can use the designation. In the case of the collective mark Art. 67(2) is designed to ensure that the collective marks cannot be used to subvert the open-standard of protection offered under the Community GI system.<sup>117</sup> In this regard, the holder's duty to license all those producers in the defined area who qualify constitutes a form of limited compulsory licensing.<sup>118</sup>

## C. Individual CTMs and Trade Mark Licensing

In contrast, an individual Community trade mark is not only free of any statutory requirement for applicants to submit regulations governing its use, but the trade mark license offers considerable flexibility in choosing who is to use the mark, how they are to use it, and whether royalties will be paid. The CTM is especially flexible in allowing the proprietor to select the territories where the mark will be

exploited, so that the mark may be licensed exclusively or non-exclusively for use throughout the EU, in one or more Member States or a particular locality.<sup>119</sup> For example, the Ethiopian government, proprietor of CTMs for “Sidamo”, “Harrar” and “Yirgacheffe”, utilizes a non-exclusive, royalty-free licence in order to build consumer recognition of its specialty coffees. Because the licensor's power to grant licences is unrestricted, licensing allows Ethiopia to establish partnerships with coffee importing, roasting and distributing companies, thereby serving to increase control over marketing and supply. Lacking the resources to fund a worldwide advertising campaign, Ethiopia is able to utilize the licence to effectively outsource the cost to those in the supply chain that have the motivation and means to advertise the product.<sup>120</sup>

Nevertheless, where the reputation of the product is established, and where the conditions of production are relatively stable, the greater control over processing, supply and distribution provided by the GI offers significant advantages. As the case of *Asda* illustrates, a specification drafted to include product packaging was instrumental in preventing the supermarket from *\*IIC 669* undercutting the price to the producers of the consortium. Smallholders would not receive the kinds of advantages to be obtained from the breadth of protection, the economies of scale and the purchasing power, as are available under the European GI system.<sup>121</sup>

#### **IV. The Advantages Of Dual Protection**

Our analysis has shown that for the start-up enterprise, the communicative capacity of the trade mark offers the more advantageous means of achieving product differentiation and market entry. However, the exclusive rights of the CTM are subject to derogations that allow third parties to use, in the course of trade, indications of geographical origin, provided they do so in accordance with honest commercial practice.<sup>122</sup> Thus, the National Federation of Coffee Growers of Colombia<sup>123</sup> experienced numerous examples of third parties using terms such as “Colombian blend” or “Colombian type” coffee, which trade mark law would not necessarily prevent, without a showing of unfair advantage and damage to reputation.<sup>124</sup>

In comparison, the GI Regulation offers broader protection. Article 13 provides that registered names shall be protected against any direct or indirect commercial use of a name registered in respect of identical or comparable products; and any evocation of the name, even if the true origin of the product is indicated, or if the protected name is translated or accompanied by expressions such as “style”, “type”, “method” or “imitation”. In this last respect, protection goes beyond that accorded to trade marks, which is limited, except in the case of well-known marks, to the goods in which the mark is registered or those sufficiently similar to cause confusion.

#### **A. Systemic Conflict Between CTMs and GIs**

In addition, the CTM is at a disadvantage compared to the GI where questions of priority arise between an earlier trade mark and a later PGI or PDO. The CTM is open to challenge from a later registered PGI or PDO, unless the mark is so well known that consumers would be misled by use of the name as a geographical indication.<sup>125</sup> Although systemic conflicts between trade marks and GIs are relatively uncommon, such problems are *\*IIC 670* persistent and not susceptible to speedy resolution. This section therefore will examine what happens in cases where earlier registered GIs or CTMs conflict with later applications for registration of a geographical name.

##### **1. Earlier Registered GIs and the Priority Rule**

In cases where an applicant attempts to register a CTM containing an earlier registered PGI or PDO, the classic rule of priority will apply to prevent registration.<sup>126</sup> Should the mark have been registered, the proprietor of the PDO or PGI will have grounds to invalidate the mark. For example, in 1996 “Grana Padano” was registered as a PDO for Italian hard cheese. In 1998, Biraghi S.p.A., succeeded in registering as a CTM “Grana Biraghi” for cheese.<sup>127</sup> Subsequently, the proprietor of the PDO, the Consorzio per la Tutela del Formaggio Grana Padano, was successful in applying for a declaration of invalidity to have the mark cancelled.<sup>128</sup>

The Consorzio relied on Art. 14(1) of the GI Regulation, which requires the invalidation of a trade mark in circumstances where its use would constitute an infringement of the PDO.<sup>129</sup> The Court of First Instance held that the OHIM Board of Appeal had erred in finding that the existence of the PDO “Grana Padano” did not prevent registration of the mark “Grana Biraghi”.<sup>130</sup>

## 2. Earlier Registered CTMs and the Principle of Co-Existence

However, in a reversal of the priority rule, an application to register a later GI that conflicts with an earlier trade mark is allowable, provided the application has been made in accordance with honest practice.<sup>131</sup> In other words, the derogation within trade mark law in respect of geographical **\*IIC 671** origin also operates inter-systemically in the event a mark conflicts with an identical or similar geographical name for the product, even when the trade mark, as the earlier right, would normally have priority.<sup>132</sup> In the case of an earlier registered mark, the CTM and GI Regulations mandate the co-existence of the two systems.<sup>133</sup> The term “co-existence” refers to a legal regime under which a GI and a trade mark can both be used concurrently to some extent even though the use of one or both of them would otherwise infringe the rights conferred by the other. Article 14(2) of the GI Regulation sanctions the continued use of the mark notwithstanding the registration of a designation of origin or geographical indication.<sup>134</sup>

### a. Co-existence in *Bavaria Holland v. Bayerisches Bier*

The recent case of *Bavaria N. V. and Bavaria Italia Srl v. Bayerischer Brauerbund*<sup>135</sup> illustrates the principle of co-existence. The geographical name at issue was “Bavaria” for beer. The parties concerned in the dispute were the earlier trade mark owner, the Dutch company Bavaria NV, and Bayerischer Brauerbund, a long-standing association of Bavarian brewers, holders of a PGI for Bavarian beer.<sup>136</sup> Brauerei Bavaria NV, one of the Netherlands biggest producers of beer, began to use the designation “Bavaria” in 1925, and it became part of its company name in 1930. Bavaria NV was the proprietor and user of several international marks, in force in Italy and elsewhere, which contained, together with other expressions or figurative elements, the name “Bavaria”, with registration dates as early as 1947.<sup>137</sup> Nevertheless, in 2001, the PGI “Bayerisches Bier” was registered to Bayerische Brauerbund e.V. (the Bavarian Brewers Association) of Munich.<sup>138</sup>

**\*IIC 672** Subsequently, the Bavarian Brewers' Association began proceedings against Bavaria NV in Italy, seeking to prevent the Dutch company from using the name “Bavaria” in Italy and to have the company's trade mark rights to the name cancelled. When the matter came before the Turin Court of Appeal, it referred to the ECJ the question as to whether the fact that the PGI had been granted protection after the registration of the trade marks, meant that the Dutch company might nevertheless continue using the marks.<sup>139</sup> In July 2009, the ECJ affirmed the principle of co-existence, holding that trade marks of third parties registered prior to the date on which the application for registration of the PGI “Bayerisches Bier” was filed, in which the word “Bavaria” appears, could continue to exist.<sup>140</sup> Consequently, owners of trade marks that consist of a later registered PDO or PGI run the risk of having their rights to priority and exclusivity eroded.<sup>141</sup>

As further evidence of the potential threat posed by the GI to the trade mark holder by the co-existence of the two systems, consider again the registrability of generic names. In the case of *Bavaria*, the ECJ emphasized the co-existence of the GI and CTM systems, finding that the mere existence of marks in the market which incorporate the name is not an indicator that the geographical name is unregistrable under the GI Regulation.<sup>142</sup> The PGI “Bayerisches Bier” was considered not to have become generic even when the European market for beer contained trade marks that included the word “Bayerisches” or translations as synonyms for the Bavarian bottom-fermentation brewing method.<sup>143</sup> The court concluded that registration of the PGI was justified by the need to prevent the disappearance of reputation as a result of “popularisation through general use outside its geographical origin.”<sup>144</sup>

Thus, in the case of conflicts between GIs and earlier trade marks the rules do not strictly follow the principle of priority. A later applicant may successfully register a GI, and the trade mark owner will have to accept their co-existence. The GI therefore, enjoys a privileged position in relation to the CTM, in so far as the principle of priority is qualified by that of the co **\*IIC 673** existence of GIs and CTMs. The breadth of rights accorded the GI combined with its characterization as an exception to trade mark rights, give the GI a decided advantage in the event that the registration of geographical name is disputed. In summary, if owners of CTMs containing geographical names are not to be disadvantaged by the descriptive use of the name, or by the later registration of a GI, they would be well advised to apply for registration under the GI system. By applying for dual protection of the name, it is possible to compensate for the narrower scope of CTM rights and the disadvantage associated with the interrelationship of the CTM and GI systems.

## Conclusion



The foregoing analysis rests on the premise that a more active promotion of trade mark protection as an alternative instrument for the protection of geographical names might ultimately serve to increase the number of registrations under the European GI system. It was tested by comparing the registrability of PDOs, PGIs and CTMs, against their respective capacity to accommodate the landholdings, yields and marketing plans of diverse agricultural undertakings.

In terms of comparative advantage, the analysis reveals the GI system as offering the broader protection against direct competition, going so far as to prohibit unauthorized references to registered PGIs or PDOs, such as “Fetastyle” or “Colombian blend”, that are evocative of the protected designation. In contrast, while the CTM system cannot offer geographical names the same breadth of protection, its chief advantage lies in its flexibility as an instrument capable of accommodating variations in land use, climate, crop yields, sourcing of raw materials and production outputs.

While producer groups should take a case-by-case approach to the choice of the CTM or GI, the preceding analysis has identified several guidelines that may be applied in devising a filing strategy based on the alternative use of the CTM and GI systems. At the start of a European marketing campaign, assuming that the link between the product and the place is relatively unknown to consumers, a trade mark-based strategy offers significant advantages in promoting awareness of the linkage among relevant consumers. On the other hand, where the link between the geographical name and the product relies on consumers' existing knowledge of agricultural or culinary traditions, then the GI system offers producer groups decided advantages, notably in the breadth of protection and associated cost efficiencies in enforcing the intellectual property. Moreover, where the linkage with the place has become so tenuous that the geographical name is subject to claims that it is generic for the product, analysis reveals the comparative advantage of the GI system, in reclaiming the reputation associated with the product for the use of local producers.

Nevertheless, in order to enjoy the advantages the GI system offers, the actual conditions of production must be congruent with the definitional **\*IIC 674** requirements of the PDO or PGI. The more territorially extensive, the less structured an agricultural enterprise, the more likely the CTM will be the more appropriate form of protection. Equally, the advantages of the GI system are contingent upon producers being able to sustain the costs of a product inspection or certification system. In short, this analysis indicates that some common problems faced by applicants for a PDO or PGI, including the need to establish a link between product reputation and place of production, changes in methods or volumes of production, and difficulties establishing inspection structures, can be avoided by utilizing the greater flexibility of the CTM system. Once the link between the reputation of the product and the place is established and the conditions of production stabilize, the agricultural undertaking is well placed to offset the reduced flexibility of the GI system against the breadth of protection it provides. It is then opportune to consider dual registration under CTM and GI systems.

Queen Mary University of London Centre for Commercial Law Studies, Lincoln's Inn Fields, London. The author thanks the editors of the IIC for their valuable comments.

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1. Fifth recital, Council Regulation (EEC) No. 2081/92 on the Protection of Geographical Indications and Designations of Origin for Agricultural Products and Foodstuffs: 24.7.1992 OJ L 208, in force 25 July 1993.
  2. "The Future of Rural Areas" Commission of 28 July 1988 (COM (88) 501 final), Bulletin of the European Communities Supplement 4/88, at 45.
  3. Recital 2, Reg. 2081/92 on the Protection of Geographical Indications and Designations of Origin, Note 1.
  4. See ROLAND HERRMANN & RAMONA TEUBER, "Geographically Differentiated Products", Institute of Agricultural Policy and Market Research, Chapter 36, at 35-35: manuscript on file with author; DWIJEN RANGNEKAR, "The Socio Economics of Geographical Indications", UNCTAD/ICTSD, Intellectual Property Rights, Innovation and Sustainable development at 34-35 (2003), <http://ictsd.org/i/publications/12218/>; VINCENT RÉQUILLART, "On the Economics of Geographical Indications in the EU", 17-18 Toulouse School of Economics (GREMAQ-INRA & IDEI), [idei.fr/doc/conf/inra/papers\\_2007/requillart.pdf](http://idei.fr/doc/conf/inra/papers_2007/requillart.pdf).
  5. DG Agriculture, "Background Paper to the Green Paper on Agricultural Product Quality", at 8, Table 1 (2008) PDO/PGI for agricultural products and foodstuffs per country; and 18, Table 5: PDO/PGI applications for registration by country (31 Aug. 2008).
  6. DG Agriculture, "Background Paper to the Green Paper on Agricultural Product Quality", 7 (2008); in contrast, Hungary, Slovenia and Cyprus each have one registered GI, at 8. See also FRANK FAY, "EU System For Geographical Indications For Agricultural Products And Foodstuffs", Worldwide Symposium On Geographical Indications, World Intellectual Property Organization (WIPO), at 13 (Sofia, June 2009) pointing out that of the total of 837 registered names, four Member States have no registrations.
  7. China, Longjing Cha (tea) PDO ##, applied 16 July 2007; India, Darjeeling (tea) PGI 12 November 2007; and Kangra Tea applied 25 January 2008; Thailand, Thung Kula Rong-Hai Thai Hom Mali Rice, PGI, applied 20 November 2008: <http://ec.europa.eu/agriculture/quality/door/list.html>.

8. DG Agriculture, "Background Paper to the Green Paper on Agricultural Product Quality", 7 (2008).
9. European Commission, "Agricultural Product Quality Policy: Impact Assessment, Part B, Geographical Indications", 17, 21, 51-2 and 121-122.
10. Declaration of the Commission issued 20 Mar. 2006 in the context of the adoption of the Council Regulation (EC) n° 510/2006. See also "Opinion of the European Economic and Social Committee on Geographical indications and Designations", 2008 OJ, C 204/57 at para. 1.2.2.
11. Review of Regulation (EC) No. 510/2006 cited in DG Agriculture, "Background Paper to the Green Paper on Agricultural Product Quality", 12 (2008).
12. European Commission, "Green Paper on Agricultural Product Quality: Product Standards, Farming Requirements and Quality Schemes", 13 (2008); and Agricultural Product Quality Policy: Impact Assessment, Part B, at 4-5.
13. "Parmigiano Reggiano" registered as a PDO, Regulation (EEC) No. 2081/92 of 14 July 1992 on the Protection of Geographical Indications and Designations of Origin. "Café de Colombia" (PGI): Commission Regulation (EC) No. 1050/2007 of 12 September 2007: 13 September 2007 OJ L 240, P. 0007 - 0008 20070912. Both names are also registered as figurative marks pursuant to Council Regulation (EC) No. 207/2009 of 26 February 2009 on the Community Trade Mark (codified version).
14. Council Regulation (EEC) 510/2006 (adopted on 20 March) on the Protection of Geographical Indications and Designations of Origin for Agricultural Products and Foodstuffs (henceforth GI Regulation): (Replacing former Regulation (EEC) No. 2081/92: 24 July 1992 OJL 208), <http://europa.eu/bulletin/en/200603/p117004.htm>.
15. Regulation (EC) No. 207/2009 of 26 February 2009 on the Community Trade Mark (codified version) (henceforth CTMR).
16. "The Future of Rural Areas" Commission Communication of 28 July 1988 (COM (88) 501 final), Bulletin of the European Communities Supplement 4/88, at 45: noting that the system for the registration of GIs should also take account of Community policy on industrial property in the field of trade mark law.
17. Recital 2, CTMR (40/94/EC).
18. To be eligible for a PDO or PGI, applicants must complete a product specification which contains standards and conditions for quality control and inspection: see Art. 4, Reg. 510/2006, and Art. 12 regarding cancellation of registered names in the event the conditions of the specification are no longer ensured.
19. TRIPS Agreement, Art. 22. Note: unless otherwise indicated, for economy the acronym GIs will be used to refer collectively to both forms of geographical indication provided in Reg. 510/2006, the PDO and the PGI.
20. See Recital 4, Reg. 510/2006; Recital 8, CTMR. See also WILLIAM LANDES & RICHARD POSNER, "The Economic Structure of Intellectual Property Law" 166-168 (2003); and WILLIAM CORNISH & DAVID LLEWELYN, "Intellectual Property: Patents, Copyright, Trade Marks and Allied Rights" 620-623 (6th ed., Sweet & Maxwell, 2007).
21. CTMR Art. 5: "Any natural or legal person, including authorities established under public law, may be the proprietor of a Community trade mark."
22. The European Community became party to the Madrid Protocol on 1 October 2004, linking this international system with the Community trade mark: <http://www.wipo.int/madrid/en/members>.
23. The procedure for filing an application for a PGI or a PDO with the European Commission is set out in Arts. 5, 6, 7, 12 and 15 of Reg. 510/2006.
24. U.K. applications are administered by the Department for Environment, Food and Rural Affairs (DEFRA), <http://www.defra.gov.uk>. Third-country producers can complete an application online using the database DOOR or send it directly to the European Commission via their national authority. See Reg. 510/2005, Recital 11; Arts. 5 and 6.
25. Regulation (EC) 510/2006, Note 14.
26. In *EC - Geographical Indications* the United States (DS174) and Australia (DS290) successfully challenged the former Regulation 2081/92 on the Protection of Geographical Indications for Agricultural Products as discriminatory of foreign right holders. As a result, amended Regulation 510/2006 facilitates the registration of GIs from third countries.
27. See Recital 13, Reg. 510/2006: stating that protection should be open to GIs of third countries that are protected in their country of origin. In *EC - Geographical Indications* (DS174) the WTO Panel concluded that former Regulation 2081/92 was in breach of national treatment under Art. 3.1 of the TRIPS Agreement, in so far as GIs located in the territory of a WTO Member outside the EU could only be registered under the Regulation if that Member satisfied the conditions in Art. 12(1), which required it to adopt a system for GI protection that was equivalent to that in the European Communities and provide reciprocal protection to products from the European Communities: paras. 7.140, 7.204 and 8.1.
28. Art. 7 provides that "any Member State or third country may object to the registration proposed, by lodging a duly substantiated statement with the Commission."
29. Regulation 510/2006 on the Protection of Geographical Indications and Designations of Origin came into force on 31 March 2006.
30. Only groups or associations of producers are entitled to apply for registration of a PGI or PDO under the Regulation: Art. 5(1) Reg. 510/2006. A natural or legal person may be treated as a group: Art. 16(c). Producers of names designating transborder geographical areas (e.g. Basmati) may lodge a joint application.
31. Definition of Art. 2(1)(a) Reg. 510/2006.
32. Traditional, non-geographical names designating a food or agricultural product are also eligible for registration as PDOs or PGIs: e.g. the name "Feta" (for a soft white cheese made from sheep and goat's milk) is such a name within the meaning of Art. 2(2), Reg. 510/2006.
33. Recitals 35 and 36, Commission Regulation (EC) No. 1829/2002 of 14 October 2002 amending the Annex to Regulation (EC) No. 1107/96 with regard to the name "Feta". See also documentary evidence submitted by the Greek government on the linkage between the product and the environment of the place of production in Joined Cases C-465/02 and C-466/02, *The Federal Republic of Germany and the Kingdom of Denmark v. Commission*, ECJ, Grand Chamber, 2005, (*Feta*), para. 51 *et seq*, 38 IIC 111 (2007).
34. Definition of PGI, Art. 2(1)(b) Reg. 510/2006.
35. On the proposal to strengthen the linkage between product and place within the definition of a PGI, see European Commission, "Green Paper on Agricultural Product Quality", 13-14 (2008); and "Agricultural Product Quality Policy: Impact Assessment", Part B, at 122.
36. A limited exception remains in Art. 2(3) Reg. 510/2006 for the sourcing of materials from outside the defined area.

37. Case C-269/99, *Carl Kühne GmbH & Co. KG and Others v. Jütro Konservenfabrik GmbH & Co. KG*, ECJ (2001).
38. Note 37, para. 61.
39. Application for PGI for "Cornish Pasty" in Class 2.4, by the the Cornish Pasty Association, summary setting out the main elements of the product specification provided by DEFRA), filed 11 November 2008, at 4.
40. *Feta*, para. 35.
41. In *Feta*, having declined to address the question whether the geographic area inherent in a designation may cover an entire country, the court relied on Greek Ministerial Order 313025 of 1 November 1994 recognizing the PDO "Feta" and defining the operative area as mainland Greece and the department of Lesbos; all other islands and archipelagos are excluded because the necessary natural and/or human factors do not apply there: Note 33, paras. 35 and 53; see also Recital 35, Commission Regulation (EC) No. 1829/2002 of 14 October 2002. See also Case 12-74, *Commission of the European Communities v. the Federal Republic of Germany*, ECJ 1975, para. 8.
42. See *Northern Foods Plc v. The Department for Environment, Food and Rural Affairs*, [2005] EWHC 2971.
43. E.g. in *Feta*, Germany and Denmark argued that the delimitation of the geographical area was artificial in so far as there was is no correlation between the geographical area of production and the area of preparation: para. 42.
44. In 2005, the High Court dismissed Northern Foods' complaint concerning the description of the geographic area, thereby allowing the application to proceed to the Commission for further examination: *Northern Foods Plc v. The Department For Environment, Food And Rural Affairs*, [2005] EWHC 2971.
45. *Feta*, paras. 48-51.
46. Commission Regulation (EC) No. 1829/2002 of 14 October 2002: Recital 36.
47. *Feta*, para. 58.
48. Under Art. 12(2) and pursuant to Art. 17(2) of Reg. 510/2006, the application of U.K. to cancel the registration of *Newcastle Brown Ale* was cancelled: Commission Regulation 952/2007 of 9 August 2007.
49. The European Economic and Social Council (EESC) argue that greater support should be given to initiatives to promote Community marks to make GI products more recognizable to consumers, and achieve increased market demand: Opinion of the EESC on Geographical indications and Designations, 2008 OJ C 204/57, para. 1.1.6.
50. Case C-487/07, *L'Oréal SA Lancôme parfums et beauté & Cie Laboratoire Garnier & Cie v. Bellure NV Malaika Investments Ltd Starion International Ltd*, ECJ, Opinion of AG Mengozzi, 2009, para. 54: "... the trade mark acts as a vehicle for providing consumers with various kinds of information on the goods identified by them."
51. The Cornish Sardine Management Association of Cornwall (a county on the southwestern peninsula of England) successfully applied for PGI protection: see Regulation No. 1182/2009 of 30 November 2009, OJ, 12 May 2009. See summary of product specification at 4, para. 4, concerning linkage: <http://www.defra.gov.uk/foodfarm/food/industry/regional/foodname/products/index.htm#16>.
52. Case C-108/97, *Windsurfing Chiemsee Produktions und Vertriebs GmbH v. Boots und Segelzubehör Walter Huber & Frank Attenberger*, ECJ (1999) (*Windsurfing*), para. 37.
53. Concerning the comparative requirements of the GI and trade mark in the case of Ethiopian specialty coffees see GETACHEW MENGISTIE "Intellectual Property as a Tool for Development: The Ethiopian Fine Coffee Designations and Trade Marking and Licensing Experience", 16(1) Int. T.L.R. 8-10 (2010).
54. CTMR Art. 4 concerning signs of which a Community trade mark may consist.
55. CTMR Art. 4(1)(c); see also (d) concerning trade marks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade.
56. *Windsurfing*, para. 37.
57. CTMR Art. 7 states: "3. Paragraph 1(b), (c) and (d) shall not apply if the trade mark has become distinctive in relation to the goods or services for which registration is requested in consequence of the use which has been made of it."
58. CTMR Art. 7(1)(c), trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service; see also First Council Directive 89/104/EEC of 21 December 1988 to Approximate the Laws of the Member States Relating to Trade Marks, Art. 3(1)(c); UK Trade Marks Act, Sec. 3(1)(c).
59. *Windsurfing*, para. 54.
60. *Windsurfing*, paras. 51-54. In determining whether a mark has acquired distinctive character, the competent authority may also take account of statements from trade and professional associations.
61. Art. 3(3) of the Trade Marks Directive; and CTMR Art. 7(3).
62. CTMR Art. 7(1)(c); Art. 66(2) states that "signs or indications which may serve, in trade, to designate the geographical origin of the goods or services may constitute Community collective marks." However, "A collective mark shall 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 ...": Art. 64(2).
63. CTMR Art. 66(1). "Associations of ... producers ... which, under the terms of the law governing them, have the capacity in their own name ... to make contracts or accomplish other legal acts ... may apply for Community collective marks."
64. E.g., a figurative mark captioned by the name "Darjeeling" was filed on 10 November 2009 as a collective CTM for tea, by the Tea Board of Calcutta, India, <http://oami.europa.eu>. Nevertheless, if and when desired, such a link may become part of the regulations governing the use of the mark: CTMR Arts. 66(1) and 67(2).
65. Registration may be sought for those agricultural products for human consumption referred to in: the Treaty Establishing the European Community (EC Treaty), Chapter 20 Annex I; Lisbon Treaty, Consolidated versions of the Treaty on European Union and the Treaty on the Functioning of the European Union (TFEU), OJ, Vol. 51, May 2008, Annex I, list referred to in Art. 38 of the TFEU; Reg. 510/2006, Annex I - Foodstuffs covered in Art. 1, para. 1: Reg. (EC) n° 417/2008 [9 May 2008 Official Journal L 125]; Reg. (EC) n° 510/2008 [7 June 2008 OJ L 149]. Annex II - Agricultural products covered in Art. 1, paragraph: Reg. (EC) n° 417/2008 [9 May 2008 OJ L 125]; Reg. (EC) n° 510/2008 [7 June 2008 OJ L 149].
66. Most foods intended for human consumption can apply for registration, including meat, dairy and fish products, honey, fruits and vegetables, beverages made from plant extracts, bread and confectionery. Examples of other registrable products include: natural gums

and resins, hay, essential oils, mustard paste, cork, flowers, wool and wicker. Note the omission of handicrafts. Precooked meals, prepared condiments and sauces; soups, ice cream, sorbet, chocolate and products containing cocoa, are not included but may qualify as TSGs. Mineral waters are no longer registrable, but names already registered will remain on the EC Register of protected names until 31 December 2013 (EC Reg. 692/2003). Registration of the names of spirit drinks and wine-sector products is governed by separate Regulations.

67. In the event a designation such as "Phu Quoc", is regarded as descriptive, it may only be used by such enterprises that, in fact, offer products from the region concerned; and for this, no registration under the Regulation is required: Art. 24(6) of the TRIPS Agreement provides an exception to the obligation to protect GIs for those indications that have become "customary name" for the goods in question in the country of protection. Further, see DWIJEN RANGNEKAR, "The International Protection of Geographical Indications: The Asian Experience", UNCTAD/ICTSD Regional Dialogue, University of Hong Kong, PRC at 19-20 (2004), [http://www.iprsonline.org/unctadictsd/dialogue/docs/Rangnekar\\_2004-11-08.pdf](http://www.iprsonline.org/unctadictsd/dialogue/docs/Rangnekar_2004-11-08.pdf).
68. The Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks had 83 Members as of 15 October 2009: <http://www.wipo.int/treaties/en/classification/nice>.
69. The CTM register shows only a device mark, which includes the name "Phu Quoc", registered to Viet Huong Fish Sauce Company Inc. of San Francisco, USA: CTM-Online: <http://oami.europa.eu>. In Vietnam it has been estimated that 90% of the fish sauce that is labeled "Phu Quoc" is in fact not from Phu Quoc: <http://www.annamlaw.com/newsdetail.asp?news=7>.
70. Further to the Green Paper on Agricultural Product Quality Policy, the European Commission is consulting the public on the scope of products covered by the Regulation with particular reference to salt, mixed herbs and condiments: [http://ec.europa.eu/agriculture/quality/policy/index\\_en.htm](http://ec.europa.eu/agriculture/quality/policy/index_en.htm). Further, the EESC on GIs has launched a policy consultation process (Opinion 2008/C 204/14) at para. 1.2.3. EC Green Paper, question 5.
71. The EESC recommends that the product listings accompanying Reg. 510/2006 should include non-agricultural products, with a view to promoting the rural culture of an area. Further, Insight Consulting conducted a study with the aim of ascertaining the feasibility of protecting handicrafts: Opinion of the EESC on GIs, 2008 OJ C 204/57 at para. 1.2.3.
72. Generic names are names which have undergone a process of vulgarization: Joined Cases C-465/02 and C-466/02 *Germany and Denmark v. Commission* [2005], Opinion of AG Ruiz-Jarabo Colomer, paras. 75-100. Citing "Camembert" and "Brie" as examples, the ECJ (Grand Chamber) acknowledged that GIs can become generic in Case C-132/05, *Commission of the European Communities v. Germany*, 2008: para. 36.
73. CTMR Art. 7(1)(d). A geographical name that has become generic cannot satisfy the definition of a trademark in so far as it is incapable of distinguishing the goods of its proprietor: Case C-517/99, *Merz & Krell GmbH & Co*, 2001, ECJ, para. 34.
74. The addition of a figurative component to accompany the name is commonly used to overcome objections based on geographical descriptiveness, but this too may be opposed by prior holders of similar marks for identical or similar products: CTMR Art. 8(1)(b).
75. Likewise see Reg. 510/2006, Art. 13(1) to the effect that where a registered name contains within it the name of a food or agricultural product which is considered generic, its use shall not be considered an infringement.
76. While the approach of the ECJ to the registrability of generic names is of direct relevance to producers established within the EU, given that international law contains no reciprocal obligation, to protect foreign GIs that are generic in their country of origin, the issue also has implications for third country producers: TRIPS Art. 24.6 and 9. Further see G.E. EVANS, "The Multilateral Register for Geographical Indications and The Doha Mandate" in: "Anuario Andino De Derechos Intelectuales (Andean Yearbook of Intellectual Property Rights)" 397-419 (2008).
77. Reg. 510/2006, Art. 3(1).
78. Reg. 510/2006 allows the ECJ final decision as to whether a GI has become generic of the product among consumers in Europe. Cf. Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods, 1891, as amended 1967, U.N.T.S. 389, granting national courts the discretion to determine whether a name has become generic, except in the case of wine.
79. *Feta*, paras. 107-110.
80. Case C-132/05, *Commission of the European Communities v. Germany*, ECJ, Grand Chamber, 2008 (henceforth *Parmesan*).
81. Art. 13(1)(d) of Reg. 510/2006 (and former Reg. No. 2081/92).
82. *Parmesan*, para. 31.
83. Case C-343/07, *Bavaria N.V. and Bavaria Italia Srl v. Bayerischer Brauerbund*, ECJ, 2009 (henceforth *Bavaria*).
84. *Parmesan*, paras. 53 and 101; see also *Feta*, paras. 76-99.
85. *Bavaria*, para. 107.
86. *Feta*, para. 77. The production of Feta commenced in 1972 in Germany, and in the 1930s in France and Denmark: *Feta*, para. 81.
87. In *Parmesan* it was considered irrelevant that cheese which failed to comply with the specification for the PDO "Parmigiano Reggiano" was produced in Italy, because the product in question was intended exclusively for export to countries where the term "Parmesan" was not protected: para 38.
88. Ministerial Order No. 2109/88, 1988, based the definition of the geographical area on traditional practices; and Ministerial Order No. 313025, 1994, codified the rules applicable to "Feta" cheese: see *Feta*, paras. 76 and 78. Similarly see Case T-291/03, *Consorzio per la Tutela del Formaggio Grana Padano v. OHIM, Biraghi S.p.A.*, CFI, 2007 (henceforth *Grana Padano*): the term "Grana" was held not to be generic, based on Italian legislation protecting the name "grana padano" dating back to 1938: paras. 73-78. See also, Case C-446/07, *Grandi Salumifici Italiani SpA v. Regione Emilia-Romagna*, 2009, (henceforth *Grandi Salumifici*), Opinion of AG Sharpston, concluding that there could be no finding that a name can be found to be generic while it is subject to an application for PGI or PDO registration: para. 36; followed by the ECJ, 2009, para. 49.
89. Since 1972, the use of the name "Feta" in Austria has been protected by bilateral agreement with Greece: *Feta*, paras. 93-94. Similarly, from 1960-1970 the collective marks "Bayrisch Bier" and "Bayrisches Bier" as well as five bilateral agreements relating to the protection of the name "Bayerisches Bier" as a geographical name, was held to show that that name was not generic: *Bavaria*, para. 109.
90. *Feta*, para. 85.
91. From 1985-1998, Greece produced 115,000 tonnes of Feta annually, whereas 27,640 tonnes were produced in Denmark; production in France varied between 7,960 tonnes and 19,964 tonnes; and that in Germany varied between 19,757 and 39,201 tonnes: *Feta*, paras. 80-87.
92. *Feta*, para. 89; see also *Parmesan*, para. 54. Note that evidence as to consumer perceptions from all EU Member States was considered



- unnecessary: *Feta*, para. 86.
93. *Feta*, paras. 85 and 88; and *Parmesan*, para. 56.
94. *Feta*, para. 87.
95. *Parmesan*, para. 37.
96. *Feta*, paras. 53, 54 and 109. Compare the finding of the German Federal Patent Court, which found that the Bavarian sausage speciality "Münchner Weißwurst" did not qualify as a PGI: *Betreffend die Marke 303 99 904*, Bundespatentgericht, 30 W (pat) 22/06, 2009. Further see DEV GANGJEE, "A sharper Image of Generic Use through the Lens of Feta", 29(5) *European Intellectual Property Review* 172-179 (2007).
97. In Case C-478/07, *Budejovický Budvar, národní podnik v. Rudolf Ammersin GmbH*, ECJ (Grand Chamber), 2009 the court stressed the importance of consumer surveys as evidence to counter claims of genericness: para. 94.
98. *Feta*, paras. 21 and 89.
99. The "Green Paper on Agricultural Product Quality" calls for public consultation concerning the criteria that should be used to determine whether a name is generic: European Commission, 2008, at 13.
100. CTMR Art. 7(1)(c). On the rationales underpinning trade mark law see, WILLIAM LANDES & RICHARD POSNER, *supra* note 20, at 172-75. On the policy orientation of the Reg. 2081/92 and 510/2006 see, DOMINIQUE BARJOLLE & BERTIL SYLVANDER, "PDO and PGI Products: Market, Supply Chains and Institutions, Protected Designations of Origin and Protected Geographical Indications in Europe: Regulation or Policy?" Final Report, SRVA, Lausanne, Suisse, INRA - UREQUA, Le Mans, France, 2000, [www.originfood.org/pdf/pdo-pgi.pdf](http://www.originfood.org/pdf/pdo-pgi.pdf).
101. An exclusive licence is one under which the proprietor of a trade mark grants to the licensee permission to use the mark to the exclusion of others including the proprietor: see Sec. 28 U.K. Trade Marks Act 1994; see also *Scandecor Developments AB v. Scandecor Marketing AV*, [2001] UKHL 21, paras. 14 and 15.
102. See Art. 4(2) Reg. 510/2006 setting out the requirements of the product specification.
103. Reg. 510/2006, Art. 7(4).
104. Case C-108/01, *Consorzio del Prosciutto di Parma & Salumificio S. Rita SpA v. Asda Stores Ltd & Hygrade Foods Ltd*, ECJ, 2003 (henceforth *Asda*). Reference from the House of Lords, *Consorzio Del Prosciutto Di Parma v. Asda Stores Limited and Others* UKHL, [2001] ETMR 53.
105. Similarly see the potential scope of protection conferred by a broadly drawn specification in Case C-469/00, *Ravil SARL v. Bellon Import SARL and Biraghi SpA (Grana Padano cheese)*.
106. The ECJ ruled that Reg. 2081/92 read with Reg. (EC) No. 1107/96 and the specification for the PDO "Prosciutto di Parma" creates a Community right, directly enforceable in the court of a Member State, to restrain the retail sale of "Parma Ham" that is sliced and packaged contrary to the specification: *Asda*, para. 31.
107. Highlighting the disparity between "farm gate" and supermarket prices, *Asda* claimed its packaging procedures meant it could sell Parma ham 60% cheaper than its rivals: BBC News, 26 April 2002, <http://news.bbc.co.uk/1/hi/uk/1950236.stm>.
108. See S.H. LENCE, S. MARETTE, D.J. HAYES & W. FOSTER, "Collective Marketing Arrangements for Geographically Differentiated Agricultural Products: Welfare Impacts and Policy Implications", in: 89(4) *American Journal of Agricultural Economics* 947-963 (2007); see also RAMONA TEUBER, "Geographical Indications of Origin as a Tool of Product Differentiation - the Case of Coffee", No. 33 *Institute of Agricultural Policy and Market Research* 18-19 (University of Giessen, 2007), <http://www.uni-giessen.de/cms/fbz/zentren/zeu/Forsch/Publi/publi2a/GeogIndications/view>.
109. *Asda*, ECJ, paras. 46-47.
110. Art. 11(4) concerns verification of compliance with specifications; Art. 11(1) provides that the costs of inspection and verification of compliance "shall be borne by the operators subject to those controls". Lists of approved authorities and their respective powers are published in the Official Journal: Art. 10 Reg. 510/2006. Further see C. LANGINIER & B. BABCOCK arguing that certification costs are the key determinant of distributional effects and social welfare associated with GIs: "Agricultural Production Clubs: Viability and Welfare Implications", 6(1) *Journal of Agricultural and Food Industrial Organization* 1-29 (2008).
111. Art. 4.1 Reg. 510/2006 states unequivocally that to be eligible to use a PGI or PDO a product must comply with the specification. Further on the character of enforcement see *Parmesan*, para. 60.
112. Reg. 510/2006, Arts. 4(2)(g) and 5(3) and (4) concerning inspection structures.
113. Art. 10(1) requires Member States ensure that inspection structures are in place. To this effect see also *Parmesan*, para. 74. Inspection bodies may be private bodies approved for that purpose by the Member State: *Parmesan*, para. 75.
114. EC - Trademarks and Geographical Indications (WTO/GI Cases: WT/DS74 and WT/DS2), [http://www.wto.org/english/tratop\\_e/dispu\\_e/dispu\\_subjects\\_index\\_e.htm](http://www.wto.org/english/tratop_e/dispu_e/dispu_subjects_index_e.htm).
115. The "Green Paper on Agricultural Product Quality" invited public submissions on how the administrative costs associated with membership of quality certification schemes could be reduced: European Commission, 2008, at 21.
116. CTMR Art. 67 provides: "An applicant for a Community collective mark must submit regulations governing its use within the period prescribed".
117. CTMR Art. 66(2) stating that a collective mark may not be invoked against a third party who is entitled to use a geographical name.
118. Exceptionally, it is possible for a sole producer to obtain PGI protection, as with Scottish and Newcastle's registration of "Newcastle Brown Ale".
119. CTMR Art. 22(1): a Community trade mark may be licensed for some or all of the goods for which it is registered and for the whole or part of the Community.
120. By 2009, 96 licence agreements had been concluded with companies in North America, Europe, Japan and South Africa: GETACHEW MENGISTIE, "Intellectual Property as a Tool for Development: the Ethiopian Fine Coffee Designations and Trade Marking and Licensing Experience", 16(1) *Int. T.L.R.* 11-12 (2010). It is estimated that the licensing agreements allow Ethiopia to earn an additional £ 47 million per year, generating benefits to coffee farmers: [www.ethiembassy.org.uk](http://www.ethiembassy.org.uk).
121. S.H. LENCE ET AL. argue that registration as a PGI or PDO may arguably be more conducive to an economic and social welfare surplus: "Collective Marketing Arrangements", *supra* note 110, at 947-963.



- [122.](#) CTMR Art. 12., *E.g. see Case C-100/0, Gerolsteiner Brunnen GmbH & Co. v. Putsch GmbH*, ECJ, 2004.
- [123.](#) Federación Nacional de Cafeteros de Colombia, <http://www.cafedecolombia.com>.
- [124.](#) "Taking unfair advantage" for the purposes of Art. 5(2), Trade Marks Directive, "does not require that there be a likelihood of confusion or a likelihood of detriment to the distinctive character or the repute of the mark or, more generally, to its proprietor." *Case C-487/07, L'Oréal SA Lancôme parfums et beauté & Cie Laboratoire Garnier & Cie v. Bellure NV*, ECJ, 2009, para. 50.
- [125.](#) Art. 3(4), Reg. 510/2006.
- [126.](#) CTMR Art. 7(1)(k) states that trade marks which contain a designation of origin or a geographical indication registered under Reg. 510/2006 when they correspond to one of the situations covered by Art. 13 of the said Regulation and regarding the same type of product will be refused.
- [127.](#) Class 29, Nice Agreement, Note 70.
- [128.](#) CTM Reg. Art. 55.
- [129.](#) "Where a designation of origin or a geographical indication is registered under this Regulation, the application for registration of a trademark corresponding to one of the situations referred to in Art. 13 and relating to the same class of product shall be refused if the application for registration of the trademark is submitted after the date of submission of the registration application to the Commission. Art. 13 of Reg. 510/2006 sets out that the scope of protection accorded PDOs and PGIs, and includes any direct or indirect commercial use of the registered name for comparable products and any misuse, imitation, or evocation." To the same effect see CTM Reg. Art. 7(1)(k), Note 128.
- [130.](#) Case T-291/03, *Conorzio per la Tutela del Formaggio Grana Padano v. OHIM, Biraghi S.p.A.*, CFI, 2007, para. 89.
- [131.](#) Provided that no grounds for its invalidity or revocation exist as specified under the Trade Mark Directive 89/104/EEC of 21 December 1988; or the CTMR No. 40/94 of 20 December 1993 on the Community trade mark (as codified in Reg. No. 207/2009 of 26 February 2009.) Some likelihood of confusion between the trade mark and the later GI may be tolerated: see *Case C-100/02, Gerolsteiner Brunnen*, Note 125, para. 24.
- [132.](#) The WTO Panel concluded that GIs and trade marks constitute independent forms of intellectual property in accordance with TRIPS, Art. 24.5. Their co-existence turns on the general exception TRIPS Art. 17: See EC - Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs, Report of the Panel, 2005, WT/DS174/R, paras. 7.512-531.
- [133.](#) CTMR Art. 164, states that the Regulation "shall not affect Council Regulation (EC) No. 510/2006, and in particular Art. 14 thereof."
- [134.](#) The reference in Art. 14(2) to "Community law" refers especially to the exception in the CTMR whereby an unauthorized third party is using the name to indicate the kind, quality, geographic origin, or other characteristics of the goods.
- [135.](#) *Case C-343/07, Bavaria N.V. and Bavaria Italia Srl v. Bayerischer Brauerbund*, ECJ, 2 July 2009.
- [136.](#) The statues of the Bavarian brewers association (Bayerischer Brauerbund ) dated back to 1917; it had been the proprietor of the registered collective trade marks "Bayrisch Bier" and "Bayerisches Bier" since 1968.
- [137.](#) The registrations dated from 1947-1995: *Bavaria*, para. 17.
- [138.](#) Art. 1 of Reg. No. 1347/2001 registered the name "Bayerisches Bier" as a PGI and recital 3 in the preamble to that regulation stated that that PGI and the trade mark "Bavaria" would not mislead the public as to the identity of the product, which is the standard embodied in Art. 14(3) of the original Reg. No. 2081/92.
- [139.](#) The "Bavarian Brewers" Association also brought suit in Germany. A second question was referred to the ECJ in *Case C-120/08, Bavaria NV v. Bayerischer Brauerbund eV*, as to whether Art. 14(1) of Reg. 510/2006 applies in the case where the protected indication has been validly registered in accordance with the simplified procedure under Art. 17 of Reg. No. 2081/92 of 14 July 1992.
- [140.](#) As the registration of the PGI was interpreted as having no adverse impact upon the validity of the "Bavaria" trade marks, co-existence (Art. 14(2)) could continue: *Bavaria*, para. 125. Similarly, see the Opinion of AG Mazek at para. 161.
- [141.](#) Art. 14(2) of GI Reg. 510/2006 privileges a later GI applicant, with the exception of marks that are held to be well known in the relevant market sector of at least one Member State.
- [142.](#) *Bavaria*, paras. 123-125.
- [143.](#) *Bavaria*, para. 105.
- [144.](#) *Bavaria*, para. 106. Note that while a name is pending protection as a PGI or PDO, until such time as a decision is made as to its validity, that name cannot be regarded as generic: *Grandi Salumifici*, ECJ, 2009.