

Protection of Geographical Indications at E.U. Level

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ABSTRACT: Already at the beginning of this century there is the impression that the protection of the source indications against false or misleading use is insufficient. In addition, the need to protect and encourage local, traditional production methods was highlighted. In France, the first statute was adopted which provided for the protection of geographical indications by a special title of industrial property, namely the designations of origin. Only products that meet quality standards are protected by designation of origin. Initially, the designations of origin concerned only wines and alcohol, but later, the concept of the designation of origin was extended to include other products (such as dairy products, especially cheese and butter), agricultural and vegetable products. Due to the success of French designations of origin, the same or a similar system was introduced in other countries, mainly in the wine and alcohol sector.

KEYWORDS: protection, geographical indication, Union law, copyright, legislation

Introduction

The term “geographical indication” was chosen by WIPO to describe the object of a new treaty for the international protection of rules and symbols that indicate a certain geographical origin of a given product. In this regard, it is intended that the term be used in the broadest sense (*lato sensu*) possible. It encompasses all existing means of protection of these rules and symbols, whether they indicate that certain qualities of a given product are due to its geographical origin (such as designations of origin), or simply indicate the place of origin of a product (such as are the indications of the source). This definition also covers symbols, because geographical indications are not only names, such as the name of a city, region or country (“direct geographical indications”), but also symbols. These symbols may indicate the origin of the goods without the literal name of the place of origin. Conclusive examples of such indirect geographical indications are: the Eiffel Tower for Paris, the Matterhorn for Switzerland or the Tower Bridge for London (Grossman and Lai, National Bureau of Economic Research, 2002)

On the other hand, the term “geographical indication” is also used in Council Regulation C E no. 2081/1992 of July 14, 1992, regarding the protection of geographical indications and designations of origin for agricultural and food products and in the TRIPS agreement. In both texts, this term is applied to products whose quality and characteristics can be attributed to their geographical origin, an approach that closely resembles the name of the type of origin of protection. In other words, the "simple" indications of the source are not covered by the specific notion of geographical indication used in these two legal texts. However, this presentation, an attempt to take into account all existing forms of protection of geographical indications, uses the term in a broad sense.

When geographical indications are considered as a special type of distinctive signs used in trade and thus as a special category of intellectual property, it is important to distinguish them from trademarks: while the trademark identifies the enterprise that offers on the market certain products or services, a geographical indication identifies a geographical area in which are located one or more enterprises that manufacture the type of product for which the geographical indication is used. Thus, there is no holder of a geographical indication, in the sense that a person or undertaking may exclude other persons or undertakings from the use of a geographical indication, but each undertaking located in the

region to which the geographical indication refers has the right to use that indication for products originating in that area. However, the right to attach a geographical indication to a product may be subject to compliance with certain quality requirements, as stipulated, for example, in administrative decisions governing the use of designations of origin (European Patent Office 2002).

Before studying the different forms of protection of geographical indications, it is useful to explain briefly the term of protection of geographical indications. First, protection means the right to prevent unauthorized persons from using geographical indications, either for products which do not originate in the indicated geographical area, or for those which do not meet the prescribed quality standards. Moreover, there is another aspect related to the issue of protection, namely the issue of protecting geographical indications so as not to become generic expressions.

Once a geographical indication has become a generic expression, it has lost its distinctive character and will therefore lose its protection. The question of whether a geographical indication is a generic and unprotected term is, in the absence of an international agreement, to be determined by national law. It is possible for a geographical name to be seen in one country as a geographical indication and to be protected accordingly, while in another country it is considered a generic or semi-generic term (Pantea 2011, 103).

Notable examples of such divergent treatment of geographical names are the French names Champagne and Chablis, which in France can only be used for products in a certain geographical area and can be produced in accordance with certain quality standards, while in the United States United States of America, for example, are regarded as semi-generic names and can therefore be used for wines that do not originate in that French production area.

This aspect of protection is especially important in the context of the international production of geographical indications and is addressed, for example, in the Lisbon Agreement for the protection of designations of origin and their international registration.

Creating a single system throughout the European Union

Instead of harmonizing the national laws of the Member States, a single system could be set up throughout the European Union. This would ensure a coherent system in the internal market, as well as more effective protection through the establishment of one-stop shops; thus, protection would apply throughout the EU (Boldrin and Levine 2003, 41).

If such a system is introduced, the question remains whether the current national systems for the protection of geographical indications should coexist with the new system at EU level. Such parallel systems already exist, for example in the case of trademarks, and will exist in the future in the field of patents. These are a “toolkit” approach, which allows users to choose the level and extent of the relevant protection, according to their needs.

An EU-wide system would be easier to implement, but it also means that the protection of commercially relevant names is only in one Member State or only in one region of a Member State. It should, however, be extended to all other Member States.

If parallel systems are used, more safeguards would be needed to ensure the proper functioning of the system, including a minimum level of harmonization of national laws in their interaction with EU law.

Potential conflicts could be avoided by introducing a comprehensive and exclusive system at EU level, similar to the one already implemented in the agricultural sector. Given that there would be no EU-wide protection granted at national level, transitional arrangements should be established for existing geographical indications at national level.

In principle, geographical indications could be protected without the need for registration. Without registration, it is not necessary to organize administrative procedures to provide protection. Systems protecting geographical indications without registration exist in a Member

State (Latvia) and also in Switzerland, where the law provides for specific measures and sanctions to protect consumers from misleading use of unregistered geographical indications.

The absence of a registration system means that there would be no public register in which the names of existing geographical indications as well as the relevant owners could be identified. This could lead to uncertainty about the existence or scope of protection. It would also be much more difficult to ensure that the protection granted is respected. An EU-wide registration procedure could follow the example of geographical indication protection systems for agricultural products (for which an EU-level registration system already exists) (Thachuk 2002, 112).

Thus, in the event of a dispute, registration would provide more certainty, in particular as regards enforcement rights. Of course, with the introduction of a system with a registration procedure, companies would have to perform administrative tasks related to this process (filing an application for registration, appeals, potential fees, etc.). This would generate some administrative costs. Additional costs that would also result from the subsequent management of the geographical indication granted (e.g., implementation, litigation).

If an agreement is reached on a registration system, the issue of setting up a registration procedure would arise. Applications for registration of geographical indications must be analyzed according to the relevant local context (including knowledge of the characteristics of local raw materials, local traditions, etc.). It may be difficult for the single EU body to be solely responsible for carrying out these tasks. On the other hand, if local experts were allowed to examine the conditions for granting protection, there is a risk of divergent local practices. This could damage the overall coherence and credibility of the system.

In the case of agricultural products, this problem has been resolved through a two-stage system, in which the central authority entrusts this aspect of the analysis to the national authorities closest to the geographical environment and the human factors concerned. In this model, a clear distinction should be made between common criteria at EU level, which should be verified by the central authority, and local particularities, which would be verified by several local authorities. At present, in the case of agricultural products, the European Commission manages the register of geographical indications at EU level (Pantea 2003, 133).

Geographical indications are special intellectual property rights in terms of their legal nature, in other words they do not represent individual private property, but belong to a whole community of producers that comply with the predefined requirements of the specifications and are linked to a geographical area. These producers also carry certain values that are essential to the whole community, such as local traditions and cultural heritage.

For this reason, public authorities often support local producers of products with geographical indications and ensure that their rights are respected. For example, the EU has established *ex officio* protection of geographical indications for agricultural products, under which public authorities are responsible for implementing a system for verifying compliance with legal requirements and ensuring the proper functioning of the system. However, the introduction of a similar system of geographical indications for non-agricultural products would impose additional obligations and generate costs for public authorities.

For certain intellectual property rights, such as patents, designs, maintaining a monopoly for a very long time would not be beneficial to society. Consequently, their legal protection has a limited duration. This does not appear to be the case for trademarks and geographical indications that protect certain names.

For example, a registered Community trade mark is valid for ten years from the date on which the application was filed, and the registration may be renewed for ten years for an indefinite period. A unitary system of geographical indications for agricultural products - the purpose of which is to preserve regional / local heritage, traditions and know-how - is protected indefinitely, without any requirement for renewal. Most Member States that have established a *sui generis* system for the protection of geographical indications for non-agricultural products also offer protection indefinitely, without any requirement for renewal.

There may be situations in which the protection granted should end, even if the protection of geographical indications has been granted indefinitely or if the defined period has not ended. Protection could be revoked, as in the field of geographical indications for agricultural products, if the products do not comply with the conditions set out in the specifications or if no product covered by the geographical indication is placed on the market for a considerable period of time⁵³. An annulment procedure could be managed by the body responsible for registration or, alternatively, directly by a court. This procedure would provide an additional level of control and contribute to the overall credibility of the potential system, but could create uncertainty for rightholders and could lead to increased costs for the body responsible for this process (Lemley 2005, 99).

A clear relationship should be defined between a potential system of geographical indications for non-agricultural products and trademark law, in order to avoid legal uncertainty and confusion related to conflicting names.

The general principle of intellectual property law applicable to trademarks, designs, patents, etc. provides that the earlier right prevails (this is the principle “*Prior in tempore, potior in jure*”). Applying this principle in the context of the relationship between brands and geographical indications for agricultural products could help to simplify the whole system.

The unitary system of geographical indications for agricultural products contains specific provisions on the relationship between geographical indications and marks. These are:

- a) The reputation of an already existing trade mark may prevent the registration of a geographical indication, if such registration could mislead consumers as to the true identity of the product;
- b) Any mark which does not fall into this situation and for which an application has been filed, which has been registered or which is established in good faith before the date of filing of the application for registration of a geographical indication at EU level should coexist with the registered geographical indication;
- c) The registration of a geographical indication should prevent the registration of a mark for which an application has been filed after the geographical indication, if the registration of the mark would conflict with the protection afforded to the geographical indication (Scherer, 2005, 208).

The Paris Convention for the Protection of Industrial Property does not include the notion of geographical indication. Article 1 para. 2 defines as subjects of industrial property, among others, the indications of the source and the name of origin. This is the traditional terminology still applied and still officially used in WIPO conventions and agreements.

According to this terminology, the following difference is made between the indications of the source and the name of origin: “source indication” means any expression or sign used to indicate that a product or service has its origin in a country, region or place, while “designation of origin” means the geographical name of a country, region or place, which serves to name a product originating there, whose characteristic qualities are due exclusively or essentially to the geographical environment, including natural or human factors; or both natural and human factors.

It is very important to highlight the difference between the indications of the source and the name of origin, namely that a product designated by a name of origin must possess certain characteristic qualities that are due to the geographical environment, including natural or human factors. In other words, the use of a designation of origin requires a quality link between the product and its region of manufacture.

This qualitative link consists of certain characteristics of the product, which can be attributed exclusively or essentially to its geographical origin, for example, climate, soil or traditional production models. On the other hand, the use of an indication of the source on a certain product is subject only to the condition that this product has its origin in the place designated by the indication of the source. The name of the origin can be understood as a special

type of indication of the source. According to this traditionally applied terminology, the term “source indication” includes the names of the origin, but, in its general use, it has become a designation for all indications of the source that are not considered to be names of origin.

An EU-wide response to the challenges outlined above could take various forms. Better protection of geographical indications should be compatible with the current European and international legal framework and should address both economic and stakeholder needs. The current system of geographical indications for agricultural products is a clear point of comparison. In the next section of the document, the Commission wishes to obtain the views of stakeholders on several parameters considered essential for the design of a possible EU initiative on the protection of geographical indications for non-agricultural products (World Intellectual Property Organization, 2004).

Possible targets for any new measures range from meeting the minimum requirements for the protection of geographical indications set out in the TRIPS Agreement to introducing additional criteria, such as those included in EU legislation on geographical indications for agricultural products.

The most commonly used indication to refer to a product that may benefit from a protected geographical indication is the name of the product. Most often, this includes the name of the geographical area (a particular place, region or country, for example, Herend), which may be associated with the name of the product as such (e.g. Scottish tartan or Aubusson tapestry).

Names other than geographical names may constitute a geographical indication, provided that the association with the place of origin is not ambiguous. Extending the definition of the geographical indication to such a name would allow several products to be covered. This solution has also been adopted in the EU geographical indication system for agricultural products, according to which feta cheese and Spanish Cava sparkling wine are, protected geographical indications (European Patent Office 2008).

Another option, which would allow an even wider coverage of non-agricultural products, would be to protect geographical indications for unmarked signs and symbols that are unambiguously associated with a particular region, place or country, for example the contours of a geographical area.

Conclusions

The protection of a particular geographical indication may be based not only on a public or administrative document, but may result from a private initiative. With regard to the latter approach, collective marks or certification marks provide a means of protecting geographical indications independently of statutory or judicial measures.

The concepts of collective mark and certification mark (or, in some countries, guarantee mark) differ from one country to another. Depending on the applicable national law, a collective mark or a certification mark may serve to indicate, *inter alia*, the origin of goods or defects and, therefore, to a certain extent, may be appropriate for the protection of a geographical indication. (Michaels 2002, 144)

A collective mark is a mark the use of which is permitted only to members of a collective body. Such a body may be an association or cooperative of producers, manufacturers or traders. The collective trademark is owned by the association, which grants the right to use it exclusively to its members. The association can be local or foreign. A collective mark indicates that the person who uses it for his goods or services is a member of the association holding the collective mark. Usually, the use of the collective mark is regulated by regulations that must be submitted to the industrial property office together with the application for registration.

The question of whether a geographical indication can be registered as a collective mark depends entirely on a certain national law. Some national trademark laws exclude the registration of geographical indications as collective marks, although, more recently, this exclusion has been repealed by some countries (Kimberly and Thachuk 2002, 79).

Once a geographical indication has been registered as a collective mark, the association that owns it has the right to prohibit its use by persons who are not members of the association. However, in case of conflict, with an older right, the members of the association may be excluded from the use of the collective mark. Moreover, the registration of a geographical indication as a collective mark cannot, per se, prevent the mark from becoming a generic term. In addition, the law of some countries contains strict requirements for use which may result in the cancellation of the registration of the collective mark if it is not used continuously.

Unlike collective marks, certification attestation marks and guarantee marks are not owned by a collective body, such as an association of manufacturers, but by a certification authority. Such authority may be a local council or an association which is not engaged in the production or marketing of that product. The latter is of particular importance, because the holder of the certification mark is the one who must ensure that the goods bearing the certification mark possess the certified qualities. A certification mark may be used to certify, inter alia, the origin of products or services. The application for registration of a certification mark must be accompanied by the regulations governing the use of the certification mark. Regarding registration of geographical indications as certification marks and guarantee marks, the same principles apply as for the registration of collective marks (Mark and Lemley 2005, 109).

If a geographical indication has been registered as a certification mark or a guarantee mark, it can normally be used by all those whose products meet the requirements stipulated in the regulation. However, such a right of use may not exist in the event of a conflict with an older right. The institution holding the certification mark or the registered guarantee mark has the right to prohibit the use of that mark by persons whose products do not meet the requirements stipulated in the regulations. In general, the protection of a geographical indication by its registration as a certification mark or guarantee mark is equivalent to that conferred by registration as a collective mark.

A special form of protected geographical indication similar to the concept of collective marks is in France “agricultural label” (in French “agricultural label”). It is governed by the Agricultural Labeling Decree of June 1983, last amended in 1990, and may be applied in connection with agricultural products. The agricultural label is a collective mark certifying that the food or non-nutritive and unprocessed agricultural product (such as cereal seeds) has a combination of specific characteristics and a higher level of quality than similar products.

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