

## 1 Introduction

*‘Dans l’univers concurrentiel contemporain, la définition de la qualité et l’information sur les qualités sont désormais au cœur des stratégies compétitives des acteurs économiques.’* (‘In the current competitive universe, the definition of quality and the information on qualities are from now on at the heart of the competitive strategies of economic actors’).<sup>1</sup>

Although postulated in 2003, this phrase has become increasingly relevant to the importance of differentiating products in today’s globalised market by using geographical indications of origin (“GIs”). GIs educate consumers by conveying an established quality or reputation of a product due to the fact that it is produced in a particular region or territory.

For this reason, GIs often influence consumers’ choices and therefore warrant proper regulation. The proper regulation of GIs is required in order to ensure that no unfair competitive advantage is made by any third party attempting to pass off a particular good or product as coming from one region which is associated with certain superior qualities, when in actual fact the characteristics for which consumers select the particular product cannot be guaranteed. Article 4 of Council Regulation No. 1151/2012 on quality schemes for agricultural products and foodstuffs on the protection of Geographical Indications and Designations of Origin for agricultural products and foodstuffs provides that the object of this Regulation is to create a scheme for protected designations of origin and protected geographical indications in order to protect producers of products linked to a geographical area from such abuses by other producers attempting to free ride off their reputation by:

1. securing fair returns for the qualities of their products;
2. ensuring uniform protection of the names as an intellectual property right in the territory of the Union;
3. providing clear information on the value-adding attributes of the product to consumers.

## 2 The Legal Framework applicable to Malta.

Malta became a member of the European Union (“EU”) on the 1<sup>st</sup> May, 2004. Pursuant to Malta’s accession, a plethora of new laws became applicable to Malta and our local legal framework had to adjust to work in tandem with these EU Regulations and Directives. Post 2004, Regulations and Directives promulgated by the EU have become applicable in Malta, whether directly, or through transposition on a sliding scale level of harmonisation.

### 2.1 Applicable EU Laws

The relevant EU Regulations, which are directly applicable to Maltese law and which govern this area of law are the following:

1. *Regulation No 1151/2012* on quality schemes for agricultural products and foodstuffs on the protection of Geographical Indications and Designations of Origin for agricultural products and foodstuffs (the “**Foodstuffs Regulation**”)

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<sup>1</sup> Loïc Sauvée and Egizio Valceschini, ‘Agro-alimentaire: La Qualité au Cœur des Relations entre Agriculteurs, Industriels et Distributeurs’ [2003] Demeter 181.

2. *Regulation No 479/2008* that contains rules relating to GIs in relation to wine (the “**Wine Regulation**”).
3. *Regulation No 607/2009* lays down certain detailed rules for the implementation of Council Regulation (EC) No 479/2008 as regards protected designations of origin and geographical indications, traditional terms, labelling and presentation of certain wine sector products.
4. *Regulation No 110/2008* of the European Parliament and of the Council of 15 January 2008 on the definition, description, presentation, labelling and the protection of geographical indications of spirit drinks (the “**Spirits Regulation**” and together with the Foodstuffs Regulation, Wine Regulation and Regulation 607/2009, the “**EU Regulations**”).

## 2.2 Maltese Subsidiary Legislation

Apart from the EU Regulations, Maltese subsidiary legislation has been promulgated pursuant to the Product Safety Act (Chapter 427 of the Laws of Malta) and the Wine Act (Chapter 436 of the Laws of Malta) to regulate aspects of this area of law. The relevant subsidiary laws are the following:

1. Subsidiary Legislation 427.57– Geographical Indications and Designations Regulations (the “**GIDR**”) that transposed the now superseded *Council Regulation 510/2006*;
2. Subsidiary Legislation 436.07 – D.O.K Wines Production Protocols Regulations;
3. Subsidiary Legislation 436.05 – Denomination of Origin and of Geographic Indications Regulations;
4. Subsidiary Legislation 427.71 – Spirit Drinks Regulations that implement the provisions of Regulation (EC) No 110/2008 of the European Parliament and of the Council on the definition, description, presentation, labelling and the protection of geographical indications of spirit drinks; and
5. Subsidiary Legislation 436.06 – IGT Wines Production Protocols Regulations.

As regards the GIDR, given that Council Regulation 510/2006 was superseded, there is doubt as to whether the GIDR may be relied upon. This arises from the fact that the Foodstuffs Regulation superseded Regulation 510/2006 and, while the GIDR has not been repealed, the extent of its applicability is drawn into question. The competent authority in Malta, the Malta Competition and Consumer Affairs Authority (“**MCCAA**”), as a matter of practice, look to the EU Regulations and interprets the provisions of these EU Regulations when determining matters relating to geographical indications.

## 3 Obtaining a Geographical Indication (“GI”) in Malta

### 3.1 Requirements for Registration

The requirements for registering a GI depend on the product for which GI registration is sought and the type of GI being registered. An applicant may either apply for a protected designation of origin (“**PDO**”) or alternatively, a protected geographical indication (“**PGI**”). Generally, in order to obtain a GI in respect of a particular product, one must show that:

1. the product originates from a particular area;
2. the geographic area contributed to a product’s quality or characteristics (in the case of applying for a PDO) or that the geographic origin contributed to its quality, characteristics or reputation (in the case of a PGI); and

3. all stages of production took place within the designated geographical area (in the case of a PDO) or that at least one stage of production took place within the designated geographical area (in the case of a PGI).

These three criteria apply regardless of the type of product and therefore, a distinction between wines and spirits, foodstuffs, natural goods or industrial products would not arise at this stage. The three requirements are the bespoke first hurdle for eligibility of this type of protection. However, and in addition to the above, each PDO or PGI application must include a product specification. This specification may differ from one product to another. By way of illustration, Regulation 10 of the Denomination of Origin and of Geographic Indications Regulations (S.L. 436.05) lists a number of elements that need to be established in order to follow the production protocols for wine.

With regard to services, conversely to trademarks, it is not possible to register a GI for the provisions of a service.

### **3.2 Local, EU and Foreign Geographical Indications**

Council Regulation No. 510/2006<sup>2</sup> permitted individuals or groups to apply for the registration of their GIs within the EU provided these were already protected in their country of origin and provided further that they complied with the requirements for the registration of a PDO or PGI.

Council Regulation (EC) No 510/2006 replaced Council Regulation No 2081/82 following a dispute initiated by the United States against the EU before the World Trade Organisation (“WTO”) Dispute Panel. The dispute in question stemmed from the result of proceedings initiated by the United States before the WTO against the EU in respect of Council Regulation No 2081/82. The United States claimed that this Regulation was in breach of the TRIPS Agreement because it did not provide equal national treatment with regards to GI protection and failed to adequately protect GIs from third countries that were not necessarily protected under a sui generis system. Following the decision of the WTO dispute panel in 2005, the 1982 Regulation was subsequently repealed and replaced by Council Regulation (EC) No 510/2006.

This Regulation made it possible for non-EU GIs (or rights with equivalent effect) to be registered and acquire protection within the EU, provided that these GIs are already protected in their country of origin and that they comply with the requirements to register a PDO or PGI.<sup>3</sup> These amendments brought the new Regulation regarding the protection of GIs in line with the TRIPS Agreement. Following the financial crisis of 2008, the EU wanted to strengthen the market by encouraging innovation in all areas, including agriculture. This brought about the enactment of Council Regulation No 1151/2012 on quality schemes for agricultural products and foodstuffs that replaced Council Regulation No 509/2006<sup>4</sup> and 510/2006. Recital (5) of the Regulation states that it aims to provide means that would enable the promotion of products with special characteristics and protect the producers of these products from anti-competitive practices on the market.

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<sup>2</sup> Council Regulation (EC) No 510/2006 of 20 March 2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs [2006] OJ L93/12.

<sup>3</sup> Ibid., Article 5(7).

<sup>4</sup> Council Regulation (EC) No 509/2006 of 20 March 2006 on agricultural products and foodstuffs as traditional specialities guaranteed [2006] OJ L93/1.

### 3.3 Registration Procedure

In terms of Article 8 of Council Regulation No 1151/2012, generally, an application for registration of a designation of origin is to include at least: the name and address of the applicant group and of the authorities or, if available, bodies verifying compliance with the provisions of the product specification; the product specification provided for in Article 7; a single document setting out: (i) the main points of the product specification: the name, a description of the product, including, where appropriate, specific rules concerning packaging and labelling, and a concise definition of the geographical area; (ii) a description of the link between the product and the geographical environment or geographical origin referred to in Article 5(1) or (2), as the case may be, including, where appropriate, the specific elements of the product description or production method justifying the link.

The GIDR provides that the Head of the Directorate responsible for foodstuffs within the MCAA shall appoint a Standing Committee, composed of representatives of public and private organizations with an interest in geographical indications and designations, to assist and advise the relevant authority on all matters related to the implementation of Council Regulation (EC) No. 510/ 2006. The GIDR refers to a now repealed EU Regulation and therefore it is unclear as to whether this rule will apply should there be any interest to register a GI for foodstuffs and spirits. At the time of writing, no Standing Committee had been appointed in Malta. The Viticulture and Oenology Unit is designated as the competent office for enforcing these regulations and for the certification of the D.O.K. ('Denominazzjoni Origini Kontrollata')<sup>5</sup> wines prescribed.

#### 3.3.1 The Applicant for Registration

The EU promulgated Council Regulation No 510/2006 in order to eliminate any discriminatory provisions and ensure that EU law complied with the TRIPS Agreement. These amendments allowed third states to register GIs within the EU provided that they were already protected in their country. As per Article 49 of the Foodstuffs Regulation, only groups of producers may submit applications. Furthermore, Recital (57) of the same Regulation states that

*Groups play an essential role in the application process for the registration of names of designations of origin and geographical indications and traditional specialities guaranteed, as well as in the amendment of specifications and cancellation requests.*

Groups are defined as 'any association, irrespective of its legal form, mainly composed of producers or processors working with the same product'. Producers' associations do not necessarily need to have a specific legal form (for example, a limited liability company). If the relevant geographical area specified in the application spans across more than one state (i.e.: a trans-border geographical area), a joint application by two or more Member States may be filed.

A single natural or legal person may be treated as a group if they prove that they are the only producers in the relevant geographical area interested in acquiring protection for a name and the product for which registration is being sought possesses unique characteristics attributable to the defined area and that these characteristics can be distinguished from other similar products from adjacent areas.

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<sup>5</sup> Translation in English 'Controlled Designation of Origin'.

In Malta, laws regarding the protection of PDOs and PGIs are found in subsidiary legislation enacted under the Product Safety Act<sup>6</sup> and the Wine Act.<sup>7</sup> The GIDR implemented the now repealed Council Regulation No 510/2006 and laid down some rules regarding the regulation of GIs for foodstuffs in Malta.<sup>8</sup> The D.O.K Wines Production Protocols Regulation regulates GIs in relation to wine and quality wines from special regions ('QWSR')<sup>9</sup>, and finally the Spirits Drinks Regulation implements Regulation (EC) No 110/2008 into our local laws.<sup>10</sup>

As previously indicated, the MCCA is the competent authority responsible for ensuring that applications for GIs for agricultural products, foodstuffs and spirits comply with the requirements of the EU regulations.<sup>11</sup> The Wine Regulation also requires that Member States designate a competent authority<sup>12</sup> responsible for vetting applications for a Denominazzjoni ta' Origni Kontrollata (DOK) or for an Indikazzjoni Ġeografika Tipika (IGT). The responsible authority in Malta is the Viticulture and Oenology Unit (the "Unit").<sup>13</sup>

As outlined under Section 2.2 the MCCA will refer to the provisions of the EU Regulations when determining matters relating to geographical indications. Accordingly, while the GIDR provides that a register shall be kept by the relevant authority in Malta for each product that is produced in Malta and that is granted recognition in accordance with Regulation No 1151/2012, the MCCA does not keep such a register.

### 3.3.2 Scope of Protection

If registration is approved, the registered name shall be protected against:

1. any direct or indirect commercial use of a registered name in respect of products not covered by the GI where those products are comparable to the products registered under that name or where using the name exploits the reputation of the protected name, including when those products are used as an ingredient;
2. any misuse, imitation or evocation, even if the true origin of the products or services is indicated or if the protected name is translated or accompanied by an expression such as 'style', 'type', 'method', 'as produced in', 'imitation' or similar, including when those products are used as an ingredient;
3. any other false or misleading indication as to the provenance, origin, nature or essential qualities of the product that is used on the inner or outer packaging, advertising material or documents relating to the product concerned, and the packing of the product in a container liable to convey a false impression as to its origin;
4. any other practice liable to mislead the consumer as to the true origin of the product.

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<sup>6</sup> Product Safety Act, Chapter 427 of the Laws of Malta.

<sup>7</sup> Wine Act, Chapter 436 of the Laws of Malta.

<sup>8</sup> Geographical Indications And Designations Regulations ('GIDR'), SL 427.52 of the Laws of Malta.

<sup>9</sup> D.O.K. Wines Production Protocols Regulations ('D.O.K. Wines Regulations'), SL 436.07 of the Laws of Malta.

<sup>10</sup> Spirit Drinks Regulations, SL 427.71 of the Laws of Malta.

<sup>11</sup> GI Regulations (n 173), Regulation 4.1; Spirit Drinks Regulations (n 175), Regulation 3.

<sup>12</sup> The Wine Regulation also requires that Member States designate a competent authority.

<sup>13</sup> D.O.K Wines Regulations, Regulation 2.

While the Foodstuffs Regulation stipulates that a generic name cannot be registered as a PDO or PGI, once registered, PDOs and PGIs shall not become generic. This safeguard is enshrined in the Foodstuffs Regulation. Conversely, a generic name can never be registered.

### 3.3.3 Generic Names

Article 6(1) of the Foodstuffs Regulation, Article 43(1) of the Wine Regulation and Article 15(3) of the Spirits Regulation provide that generic names can never form the basis of a GI. Article 3(6) of the Foodstuffs Regulation defines generic terms as *'the names of products which, although relating to the place, region or country where the product was originally produced or marketed, have become the common name of a product in the Union'*. This wording corresponds to the Foodstuffs Regulation, however, is limited to within the territory of the EU and therefore stops short of extending genericity to a global level.

Holmqvist explains that a name becomes generic if, rather than being associated with a particular territory, the name becomes synonymous with the kind of product.<sup>14</sup> 'Cheddar' is an example of a name that has become generic because it is now used to refer to a type of cheese, although it derived its name because it originated from the English village of Cheddar in Somerset. A more specific name was in fact used to register the PGI 'Orkney Scottish Island Cheddar'.<sup>15</sup>

Therefore, similar to trademarks, the distinctiveness of the name is fundamental in determining the registrability of the GI in question. Article 3(3) of the repealed Regulation 2081/92 had imposed an obligation on the Council to draw up a non-exhaustive list of those names which are considered generic and therefore ineligible for registration. This list was to be published in the Official Journal, however, due to disagreement among the various Members States as to the names to be included, this list was never finalised or published.

The Foodstuffs Regulation did not impose a similar obligation on the Council, however, Article 41(2) of the Foodstuffs Regulation and Article 43(1) of the Wine Regulation postulate some guidelines regarding those factors that are to be taken into consideration in order to determine whether a designation of origin is generic or not. However, these considerations are not definitive nor do they offer much guidance given that they do not really lay down any concrete criteria that could be relied upon as a means of determining whether a name is generic or not, leaving the issue of genericity open to interpretation and to the discretion of the Court of Justice of the European Union ('CJEU').

Due to the lack of local jurisprudence, reference must be made to the position taken by the CJEU.

The CJEU has allowed certain measures that are quantitative restrictions on the free movement of goods on the basis that they aim to safeguard industrial and commercial property. These measures are not justified to protect generic names as they cannot be registered as a PDO or a PGI unless the PDO or PGI is more specific (eg: 'Orkney Scottish Island Cheddar' as opposed to simply attempting to protect 'Cheddar'). Other traders may still use the generic name, despite the generic word forming part of a registered PDO or PGI (eg: 'camembert' may still be used as it is considered to be generic but 'Camembert de Normandie' is a protected PDO).

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<sup>14</sup> Lars Holmqvist, *Degeneration of Trade Marks: A Comparative Study of the Effects of Use on Trade Mark Distinctiveness* (Ab Beson-Tryck, 1971).

<sup>15</sup> Commission Regulation (EU) No 1186/2013 of 21 November 2013 entering a name in the register of protected designations of origin and protected geographical indications (Orkney Scottish Island Cheddar (PGI)) [2013] OJ L313/40.

The criteria by which a name is considered generic were examined in relation to the name ‘Feta’.<sup>16</sup> Before the implementation of *sui generis* protection of GIs by virtue of Regulation 2081/92, the name ‘Feta’ enjoyed protection through use in Greece. The Greek government eventually applied to have ‘Feta’ registered as a PDO. During the application process, the Commission carried out market surveys to determine whether the name ‘Feta’ had become generic and, upon concluding that the name was not generic, proceeded to ‘Feta’ as a PDO in 1996. Denmark, France and the United Kingdom objected and argued that the surveys carried out were not sufficient proof that the name was not generic as it did not consider consumer perception of whether the name ‘Feta’ was generic or not outside the Member State of origin. The CJEU agreed with the arguments put forward by the objecting States and held that:

*“To establish whether or not a name has become generic, account shall be taken of all factors, in particular:*

- 1. The existing situation in the Member State in which the name originates and in areas of consumption,*
- 2. The existing situation in other Member States,*
- 3. The relevant national or Community laws.”*<sup>17</sup>

Following the CJEU’s ruling, the PDO was annulled and a questionnaire was sent to other Member States to investigate ‘Feta’ cheese production across the EU and the average consumer’s perception in each Member State. A Scientific Committee was appointed to interpret the results of the questionnaire and it was concluded that ‘Feta’ was not a generic name. On this basis, the Commission registered the PDO for ‘Feta’ again. The registration was contested again by some Member States, but this time the Court confirmed that, although countries have used the name ‘Feta’ to market cheese for a long time, such marketing was affiliated with Greek culture and therefore warranted protection as a PDO.<sup>18</sup> Furthermore, the findings of the Scientific Committee confirmed that *‘production and consumption of this cheese has remained concentrated in Greece.’*<sup>19</sup>

Another case, *Commission v Germany*, examined whether the name ‘*parmesan*’ was generic or not.<sup>20</sup> Germany argued that the name ‘parmesan’ is generic term used to refer to hard grated cheese and therefore it did not infringe the PDO ‘Parmigiano Reggiano’. The CJEU did not accept this argument and therefore the name ‘parmesan’ was not considered to be generic. The fact that a name is not a registered PDO does not necessarily imply that the said name has become generic.<sup>21</sup> However, registering a PDO or PGI protects names from ever becoming generic and therefore is a stronger form of protection (Article 13(2) of the Foodstuffs Regulation, Article 45(3) of the Wine Regulation and Article 15(3) of the Spirits Regulation).

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<sup>16</sup> Joined cases C-465/02, *Federal Republic of Germany v Commission* and C-466/02 *Kingdom of Denmark v Commission* [2005] ECR 9178.

<sup>17</sup> Elise Dingli ‘The Legal Implications of Geographical Indications of Origin’ (LLD Thesis, University of Malta, 2015).

<sup>18</sup> Joined cases C-465/02, *Federal Republic of Germany v Commission* and C-466/02 *Kingdom of Denmark v Commission* [2005] ECR 9178.

<sup>19</sup> *Ibid.*, para 83.

<sup>20</sup> Case C-132/05 *Commission of the European Communities v Federal Republic of Germany* [2008] ECR I-957

<sup>21</sup> Case C-466/07, *Alberto Severi v. Regione Emilia-Romagna* (‘Salame Felino Case’) [2009] ECR I-8041 para 47.

The CJEU was faced with the issue of whether some parts of a PDO could become generic post-registration in the *Époisses*.<sup>22</sup> Two cheese producers in France were accused of using the name 'Époisses' by the *Syndicat de Défense de l'Époisses* for marketing cheese protected by the PDO 'Époisses de Bourgogne'. As part of their defence, the defendants raised the argument that the word 'Époisses' had become generic. Although the CJEU did not accept the defendants' arguments and disagreed that 'Époisses' had become generic, it ruled that despite the fact that PDOs are immune from genericity, parts or elements of a PDO may still fall victim to becoming generic.

Certain names, despite not being generic within the EU, were considered generic in other WTO states.<sup>23</sup> In fact, negotiations concerning which names are generic and which names ought to be protected are still ongoing. The claw back procedure aims to acquire international protection of PDOs and PGIs that have been deemed generic outside the EU (names like Champagne, Port and Gorgonzola).<sup>24</sup> The EU has entered into bilateral agreements for the protection of the names of certain wines in exchange for giving third countries improved market access within the EU. Agreements were signed in 1993 and 2003 with Australia and Canada respectively for the protection of wine names.<sup>25</sup> In 2005 the EU signed an agreement with the US and agreed to grant American oenological practices recognition on the condition that generic names such as Champagne are protected within the US.<sup>26</sup>

### 3.3.4 Additional forms of protection

Where a GI has not been registered or for GIs from countries or where *sui generis* protection is unavailable, an action for the protection of a GI may be instituted on the basis of unfair competition, passing-off or basic principles of fairness in commercial law.<sup>27</sup> The Maltese Commercial Code<sup>28</sup> provides that *[t]raders shall not make use of any name, mark or distinctive device capable of creating confusion with any other name, mark or distinctive device lawfully used by others, even though such other name, mark or distinctive device be not registered in terms of the Trademarks Act, nor may they make use of any firm name or fictitious name capable of misleading others as to the real importance of the firm.*<sup>29</sup> Article 32A(2)(e) provides that comparative advertising is permitted for products with a designation of origin where it relates in each case to products with the same designation. The inclusion of this Article, which corresponds to Article 4 of Directive 2006/114/EC,<sup>30</sup> means that *a contrariu sensu*, a trader may not use a designation of origin unless his product is entitled to the same designation.

## 3.4 Geographical Indications and Trademark Law

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<sup>22</sup> C-129/97 and C-130/97, *Criminal proceedings against Yvon Chiciak and Others* ('Époisses') [1998] ECR I-3315.

<sup>23</sup> Daniele Giovannucci and others, *Guide to Geographical Indications: Linking Products and their Origins*, (The International Trade Centre, 2009) 37

<sup>24</sup> Thitapha Wattanaputtipaisan, 'Trademarks and Geographical Indications: Policy Issues and Options in Trade Negotiations and Implementation' (2009) 26.1 *Asian Development Review* 116.

<sup>25</sup> Luisa Menapace, 'Geographical Indications and Quality Promotion in Food and Agricultural Markets: Domestic and International Issues' (Graduate Thesis, Iowa State University, 2010) 25.

<sup>26</sup> Agreement between the European Community and the United States of America on trade in wine, OJ 2006 L 87/2.

<sup>27</sup> Miguel Angel Medina, 'Marketing and Protecting Geographical Indications Around the World' (WIPO Worldwide Symposium on Geographical Indications, Bangkok, March 2013) 53.

<sup>28</sup> Commercial Code, Chapter 13 of the Laws of Malta.

<sup>29</sup> *Ibid.*, Article 32.

<sup>30</sup> Directive 2006/114/EC of the European Parliament and of the Council of 12 December 2006 concerning misleading and comparative advertising (2006) OJ L-376/21.



In terms of the Trademarks Act<sup>31</sup>, a mark which consists exclusively of signs or indications which may serve, in trade, to designate the kind, quality, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services shall not be registered as a trademark.<sup>32</sup> Notwithstanding this, a collective mark or a certification mark which consists of signs or indications which may serve, in trade, to designate the geographical origin of the goods or services may be registered: Provided that the proprietor of such a mark shall not be entitled to prohibit the use of the signs or indications in accordance with honest practices in industrial or commercial matters particularly by a person who is entitled to use a geographical name.

The Trademarks Act also briefly addresses conflicts between trademarks and non-registered indications of origin or indications of origin that are subject to *sui generis* protection. This legislation establishes that a registered trademark is not infringed by the use of indications concerning the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services provided the use is in accordance with honest practices in industrial or commercial matters.<sup>33</sup>

A registered trademark may be revoked if in consequence of the use made of it by the proprietor or with his consent, it is liable to mislead the public in relation to the goods or services for which it is registered, particularly as to the nature, quality or geographical origin of those goods or services.<sup>34</sup>

### **3.5 More than one Source of Origin**

The existence of different locations during the manufacturing process of a certain product is predominantly regulated under Article 7 of the Foodstuffs Regulation. Article 7(1)(e) specifies that the product specification to be included in an application for a PDO or a PGI must contain a description of how the product was obtained and a description of the authentic and unvarying local methods, where appropriate. Information concerning packaging may also be required where the applicant gives sufficient product-specific justification as to why the packaging must take place a particular region. The justification would normally have regard to quality, origin, or control of the product.

The Wine Regulation also specifies that wine production must take place in the relevant geographical area.<sup>35</sup> Article 3 of the Foodstuffs Regulation defines a ‘production step’ as any form of production, processing or preparation. The production steps distinguish a PDO from a PGI. If an applicant has applied for a PDO, all production steps must occur within the defined geographical area. In the case of a PGI, at least one of the said steps must take place within the defined territory.

Article 6(1) of Commission Regulation (EC) No 607/2009<sup>36</sup> stipulates that the production of wine incorporates every step of the wine-making process: from harvesting the grapes to bottling the wine. Some leeway has been granted in relation to the requirement that production of wine must take place

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<sup>31</sup> Chapter 417 of the Laws of Malta.

<sup>32</sup> *Ibid.*, Article 4(1)(c).

<sup>33</sup> *Ibid.* Article 11(2)(b).

<sup>34</sup> *Ibid.* Article 42(1)(d).

<sup>35</sup> Regulation 479/2008, Article 34(1)(a)(iii) and Article 34(1)(b)(iii).

<sup>36</sup> Which outlines detailed rules regarding the implementation of the Wine Regulation regarding PDOs and PGIs amongst other matters

within the defined territory in that production of wines that have a PDO may take place in adjacent areas to the defined geographical area provided that this is specified in the product specification.<sup>37</sup>

A case concerning the rules regulating where wine is produced is *Établissements Delhaize Frères et Compagnie Le Lion SA and Promalvin SA and AGE Bodegas Unidas SA* ('Rioja I'), which related to Rioja wine.<sup>38</sup> Spain implemented some rules that wine sold using the PDO 'Rioja' had to be exclusively bottled in and dispatched from the designated cellars in the La Rioja region. In this case, Belgian undertakings contested these rules as their business bought Rioja wine in bulk and bottled and sold the wine in Belgium. Due to the new rules, producers from the La Rioja region stopped exporting wine in bulk, since it wine had to be bottled in Spain to guarantee the quality of Rioja wine and protect the reputation of the *denominación de origen calificada*.<sup>39</sup> The Belgian traders argued that these rules were a quantitative restriction on exports and infringed the Treaty provisions on the free movement of goods. In this first case, the Court ruled in favour of the plaintiffs and deemed the Rioja rules an unjustified quantitative restriction on exports.

In the case of *Kingdom of Belgium v Kingdom of Spain* ('Rioja II'), the Rioja rules were contested once again since the previous judgment was not enforced by the Spanish government.<sup>40</sup> The plaintiffs used the same legal basis and reiterated that these rules amounted to a quantitative restriction on the free movement of goods and therefore violated, what is now, Article 34 of the TFEU. The Spanish government contended that these measures are objectively justifiable since it is the only way in which consumers are guaranteed the quality promised when they purchase Rioja wine. The Court accepted this argument and therefore, although the Rioja rules were indeed quantitative restrictions on exports, they were justifiable and compatible with the treaty, as the bottling process required certain expertise from the producers within the Rioja region.<sup>41</sup>

In *Ravil SARL v Bellon Import SARL et Biraghi SpA* ('Grana Padano case'), the CJEU was asked to give its opinion as to whether products protected by a PDO may be packaged outside the defined geographical area.<sup>42</sup> In this case, a French trader bought Grana Padano cheese in bulk from a distributor in France and subsequently grated and packaged the cheese to be sold under the name 'Grana Padano râpé frais' (freshly grated Grana Padano).<sup>43</sup> The name is not only protected as a PDO but is also protected under a bilateral agreement between France and Italy entered into on the 28 April 1964 (the "**Franco-Italian Convention**"), which also protected Grana Padano in its grated form. Cheese can only be sold under the name Grana Padano if the grating and packaging process took place in the designated geographical area. Biraghi SpA institute proceedings before the Commercial Court of Marseille under the Franco-Italian Convention, in order to stop the defendant from marketing grated cheese using the name Grana Padano. The first court ruled in favour of the defendant. Upon appeal before the Cour de Cassation, the court of appeal filed a preliminary reference before the CJEU which held that Regulation No 2081/92 does not expressly require that the goods are grated and packaged within the geographical region however one must also ensure compliance with the PDO's product specification for the PDO. The product specification for Grana Padano required grating and

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<sup>37</sup> Regulation No 607/2009, Article 6(4).

<sup>38</sup> Case C-47/90, *Établissements Delhaize Frères et Compagnie Le Lion SA and Promalvin SA and AGE Bodegas Unidas SA* [1992] ECR I-3669.

<sup>39</sup> *ibid* paras 4-5.

<sup>40</sup> Case C-388/95, *Kingdom of Belgium v Kingdom of Spain* [2000] ECR I-3146.

<sup>41</sup> 'Belgian Challenge to Rioja Dismissed', *The Journal of the Law Society of Scotland* (2000) <<http://www.journalonline.co.uk/Magazine/45-8/1000928.aspx#.VWMJ7WDFFE4>> last accessed 12 May 2016.

<sup>42</sup> Case C-469/00, *Ravil SARL v Bellon import SARL and Biraghi SpA* [2003] ECR I-5053.

<sup>43</sup> *ibid*, para 18.

packaging of the cheese to take place in the designated geographical area in order to be able to market the product as Grana Padano. The issue on whether the requirement to grate and package a product within a specified territory constituted a quantitative restriction on the export of goods was also dealt with in this case. The CJEU came to the same conclusion as it did in the Rioja cases whereby it ruled that the restrictive measures are justified since they protect industrial and commercial property by allowing the producers to safeguard their reputation and the way their product appears on the market.<sup>44</sup> Consumers expect consistent quality and a product's reputation heavily depends on consumer perception. A particular product's reputation can only be maintained if measures are taken/adopted to ensure that its quality is maintained through the implementation of regular quality checks. These are best carried out by experts in the region of production who have specialised knowledge of the product in question and who have a vested collective interest to maintain their good reputation. Accordingly, these responsibilities cannot be delegated to external resources but are best guaranteed by producers within the region of production.

Within this vein, the name 'Parma Ham' can only be used if the slicing and packaging of the ham takes place within the region of production and under the supervision of a member of the consortium. In the case *Consorzio del Prosciutto di Parma and Salumificio S. Rita v Asda Stores Ltd and Hygrade Foods Ltd*,<sup>45</sup> the plaintiffs claimed that product specification upon which the PDO was acquired required the slicing and packaging of the ham to take place within the defined geographical area. The Consortium argued that the '*[p]rocessing is a complex procedure which encompasses boning, preparation of the 'brick' (this being the shape of the ham when it is sliced), the actual slicing and the subsequent packaging.*'<sup>46</sup> The respondents maintained that it is only those elements of the product specification that determine the link between the product and its territory are protected under the Regulation. In making this contestation, reference was also made to the court's affirmation of this principle in *Criminal proceedings against Jacques Pistre and others*.<sup>47</sup> Therefore, this excludes the condition that slicing and packaging of the ham must take place within the territory of origin in order to justify the use of the protected name. On this basis, respondents maintained that the slicing and packaging that takes place outside the region of production does not compromise the quality of the ham.

In delivering its judgement in this case, the CJEU adopted the same stance as that of the Court in the 'Grana Padano' case. It similarly acknowledged that certain stages in a product's processing and production could potentially compromise the quality and authenticity of that product, especially if not performed under specific conditions. The rationale behind the CJEU's acceptance of restrictive measures is that this is the only sure manner in which producers could guarantee that consumers' expectations are met and a product's reputation is preserved.

#### **4 Labelling Information**

There are mandatory requirements as regards indication of geographic origin for the purposes of labeling requirements. One such example of this emerges clearly under the Labelling, Presentation and Advertising of Foodstuffs Regulations<sup>48</sup> which states that the indication of the origin is

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<sup>44</sup> Case C-469/00 (n 116) para 66.

<sup>45</sup> Case C-108/01, *Consorzio del Prosciutto di Parma and Salumificio S. Rita v Asda Stores Ltd and Hygrade Foods Ltd* [2003] ECR I-5163.

<sup>46</sup> *ibid*, Opinion of AG Alber, para 28.

<sup>47</sup> C-321/94, C-322/94, C-323/94 and C-324/94, *Criminal proceedings against Jacques Pistre and others* [1997] ECR I-2343.

<sup>48</sup> Subsidiary Legislation 449.46

compulsory on the labelling of foodstuffs where failure to give such particulars might mislead the consumer to a material degree as to the true origin or provenance of the foodstuff.

## 5 Enforcement Proceedings

Although the EU had attempted to enact a Draft Directive to impose criminal sanctions for the infringement of Intellectual Property Rights ('IPRs'), Member States decided that the EU institutions do not have the competence to regulate criminal matters. Therefore, the EU introduced the Directive on the Civil Enforcement of Intellectual Property Rights<sup>49</sup> ("IPRED" or the "Enforcement Directive") and the Customs Regulation<sup>50</sup> in an attempt to prevent infringement of IPRs. Article 2 of the reformed Customs Regulation lists GIs under the types of intellectual property rights protected under this regulation. Furthermore, it defines counterfeit goods as 'goods which are subject of an action infringing a geographical indication and bear or are described by a name or term protected in respect of that geographical indication'.<sup>51</sup>

Under Maltese law, the enforcement of IPRs falls under the Enforcement of Intellectual Property Rights (Regulation) Act<sup>52</sup> ("EIPRA") and the Intellectual Property Rights (Cross-Border Measures) Act<sup>53</sup> ("IPRA").

Unfortunately, EIPRA does not fully transpose the Enforcement Directive as it does not include GIs under the definition of IPRs.

Article 2 of the EIPRA defines 'intellectual property rights' as:

*[T]hose rights accorded under the Copyright Act, the Trademarks Act and the Patents and Designs Act, or any other law which may from time to time substitute the said Acts and "relevant legislation" shall be interpreted accordingly.*

Accordingly, in Malta, one may limitedly rely on the protection granted to a GI as a collective or certification mark, provided the GI is registered as such under the Trademarks Act or, alternatively, look to other remedies available at law.

Protection can be sought under the provisions of the Commercial Code and the Civil Code.<sup>54</sup> Within the Commercial Code, Article 37 grants injured traders the right to sue the infringing trader for damages and interest or subject the infringer to a penalty.

The injured trader may also request that the infringing goods are destroyed, or that any other remedy capable of removing the act of unlawful competition be applied. Article 37(2) states that a claim for damages will be governed by the rules of civil law, and therefore primarily based on tort under the Civil Code. As indicated previously, GI registration is available to groups and individuals, groups and

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<sup>49</sup> Directive 2004/48/EC.

<sup>50</sup> Regulation (EC) No 608/2013 of the European Parliament and of the Council concerning customs enforcement of intellectual property.

<sup>51</sup> Regulation (EU) No 608/2013 of the European Parliament and of the Council of 12 June 2013 concerning customs enforcement of intellectual property, Article 2(5)(b).

<sup>52</sup> Chapter 488 of the Laws of Malta.

<sup>53</sup> Chapter 414 of the Laws of Malta.

<sup>54</sup> Civil Code, Chapter 16 of the Laws of Malta.

consortiums and therefore, an action for damages under the provisions of the Commercial Code action under Article 37 should be available. Under Maltese law, a trader is defined as ‘*any person who, by profession, exercises acts of trade in his own name*’. A group will fall within this definition since a person is to be interpreted to include plural and to include an association of persons (whether it has a separate legal personality).<sup>55</sup> Notwithstanding, a disadvantage of basing a claim on the provisions of the Commercial Code is that it caps damages at €4,658.75.<sup>56</sup> Since the ultimate sum rewarded is so low, producers are most likely better off instituting a claim for damages based on the articles of the Civil Code.

The action under the Civil Code emerges by interpretation of the EU Regulations which impose an obligation to comply with them and to respect registered GIs. Upon infringement of a PDO or PGI, this obligation would be breached and within this context, Article 1128 of the Civil Code is rendered applicable given that it provides that when ‘*the obligation is to forbear to do, the debtor who infringes the obligation is liable in damages for the mere fact of such infringement.*’ Furthermore, Article 1033 of the Civil Code states that a person ‘*guilty of an act or omission constituting a breach of the duty imposed by law, shall be liable for any damage resulting therefrom.*’

Additional remedies may also be available through Regulation (EU) No 608/2013 (the “**Customs Regulation**”) which specifically lists GIs as IPRs. The Customs Regulations allow the registered owner of a GI to apply to the relevant customs authority in order for the counterfeit goods that are infringing an intellectual property right to be detained and possibly delivered up for destruction. This would therefore include a registered GI to. Unfortunately, when certain portions of the Customs Regulation were transposed under Maltese law, through the Intellectual Property Rights (Cross-Border Measures) Act<sup>57</sup>, GIs were not included under the definition of intellectual property rights. The remedy under Maltese law would apply where the GI in question was registered as a certification or collective mark. Otherwise, the registered holder of a GI would need to rely on the provisions of the Customs Regulation.

## 6 Conclusion

The take up in Malta towards GIs is less prevalent as opposed to other intellectual property rights in Malta. There are currently four GIs registered for Maltese wines – three PDOs for the names ‘Ghawdex’, ‘Gozo’ and ‘Malta’ and a PGI for the name ‘the Maltese Islands’. This stems from the fact that in Malta, there is no culture of forming consortia of producers in respect of particular products from a geographical area.

Furthermore, given that this form of protection is generally open to groups and not individuals, the lack of consortia creates a barrier for these individuals. Notwithstanding this, if there had to be a culture of establishing consortia, there are a limited number of producers in Malta for a particular product and therefore creating a consortium may not be an attractive option to the various individuals. On this basis, an individual producer in Malta would most likely be deterred from seeking registration on his own when faced with the costs associated with accreditation and registration of a PDO or PGI, as well as the organisational difficulties associated therewith.

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<sup>55</sup> Interpretation Act, Chapter 249 of the Laws of Malta, Article 4.

<sup>56</sup> Article 37(3)

<sup>57</sup> Intellectual Property Rights (Cross-Border Measures) Act, Chapter 414 of the Laws of Malta.

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