

International Report

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1. Introduction

This International Report examines the increasingly important use and protection of indications of source (including geographical indications as well as appellations and designations of origin). In particular, it considers how the laws of those countries that have prepared National Reports regulate the use of indications of source for goods and services.¹

2. Background

2.1 Definitions

The indication of the geographical origin of a product or service can be valuable information used by manufacturers and suppliers to differentiate their products and this information might increase revenues for local producers and satisfy the desire of more locally-conscious and demanding customers to reduce search costs.

Historically, there have been different legal concepts dealing with the indication of the geographic origin of goods and services. The terminology used internationally varies. For the purposes of this report, the following terms are used:

¹ The author is very grateful for the national reports which have been submitted from the following jurisdictions: *Austria* (Christoph Petsch and Michael Meyenburg); *Belgium* (Claire Hazée); *Czech Republic* (Jan Hák); *France* (Martina Isola and Guillaume Couet); *Germany* (Olaf Sosnitzka); *Hungary* (Ádám Liber); *Italy* (Daniela Caneva); *Malta* (Philip Mifsud); *UK* (Ashley Roughton); *Brazil* (Felipe Barros Oquendo); *Japan* (Noriko Itai) and *Ukraine* (Kateryna Oliinyk).

Indication of source or indication of origin (IO): meaning an indication perceived by the relevant public as indicating the geographical origin of the concerned goods or services. Indications of source simply denote the geographical places of origin of products and services, for example, "Product of France". It is not required that any qualities or other characteristic of the concerned goods or services derive from the place of origin.

Geographical indication (GI): meaning an indication in the sense of Art. 22(1) TRIPS (but including services). A geographical indication is a sign used for goods or services that have a specific geographic origin and possess qualities or a reputation that are due to that origin. In order to function as a GI, a sign must identify a product or service as originating in a given place. In addition, the qualities, characteristics or reputation of the product or service should be essentially due to the place of origin. Since the qualities or at least the reputation of the goods and services depend on the geographical place origin, there is a clear link between the products and services and their geographical origin.

Appellation of origin or designation of origin: meaning a geographical indication which serves to designate goods or services originating therein, the quality or characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors. Not all GIs are appellations of origin and designations of origin, respectively. Usually, appellations of origin and designations of origin only include geographical names, such as Bordeaux, Champagne, etc. while a symbol such as the Eiffel Tower in Paris or the Matterhorn in Switzerland could function as a GI. In addition, appellations of origin and designations of origin are usually registered in special registers and their use is normally regulated by specifications.

Hereinafter, the term indication of origin (IO) will be used as an umbrella term that encompasses indications of source, geographical indications and appellations of origin.

2.2 Legal Background

The different concepts for how to address the use of indications of source are closely embedded in the different legal and institutional frameworks.

Fundamentally, three different approaches that regulate the use and protection of geographical terms emerged. The first and second rely on existing intellectual

property (in particular including trademarks) and unfair competition law as well as consumer protection systems. A number of countries argue that GIs are sufficiently protected within this existing framework. The third approach deals with indications of origin through specific legislation designed for this purpose (i.e. *sui generis* protection). The divergent approaches *inter alia* differ with respect to the degree of government involvement, ownership and enforcement.

A number of countries have entered into various bilateral and multilateral arrangements regarding the use and protection of indications of origin. On an international level, *inter alia* the following agreements are relevant for the use and protection of indications of origin:

- Paris Convention for the Protection of Industrial Property (1883)²
- Madrid Agreement for the Repression of False or Deceptive Indications of Source of Goods (1891)³
- Lisbon Agreement for the Protection of Appellations of Origin and their International Registration (1958, amended 1979)⁴ and Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications (2015)⁵
- Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) (1994)⁶

2.2.1 TRIPS Agreement

The TRIPS Agreement is the most important agreement for the use and protection of GIs because of the number of signatory states.⁷ The Agreement provides two different levels of protection for GIs:

² The Paris Convention can be accessed *inter alia* on the website of the WIPO. Available under: http://www.wipo.int/treaties/en/text.jsp?file_id=288514.

³ Available under: http://www.wipo.int/treaties/en/text.jsp?file_id=286779.

⁴ Available under: <http://www.wipo.int/wipolex/en/details.jsp?id=12586>.

⁵ Available under: <http://www.wipo.int/wipolex/en/details.jsp?id=15625>.

⁶ Available under: https://www.wto.org/english/tratop_e/trips_e/t_agm0_e.htm.

- General protection (under Art. 22 TRIPS) for all products against the unjustified use of a GI in which the public is misled or an act of unfair competition is involved. The TRIPS Agreement does not strictly prohibit the use of GIs such as "*Geneva Watch, assembled in USA*", "*Parmesan type cheese, made in New Zealand*" or "*Ceylon Tea made from tea from Indonesia*".
- Additional protection (under Art. 23 TRIPS) for wines and spirits. This protection is more effective because it prohibits the incorrect use of a GI, whether or not the public is misled or an act of unfair competition is involved, and even if the true origin of the product is indicated.
- According to the present protection level, it is sufficient to clearly indicate the true origin of a product in order for a GI not to be misleading and therefore legitimate under the TRIPS Agreement. By contrast, the labels "*Spanish Bordeaux*" or "*Chianti-type Red Wine, produced in Algeria*" are not allowed. Thus, producers of rice, coffee, cheese, meat products and watches do not enjoy the same level of protection for the GIs used for their products compared to the producers of wines and spirits.

Services are not addressed at all by the provisions of the TRIPS Agreement that deal with the protection of geographical indications. However, as the TRIPS Agreement only prescribes a minimum level of protection, Member States may go beyond the scope of protection limited to goods and extend protection to geographical indications also for services, e.g. financial services, tourism, airline services, etc.

The WTO rules (including the TRIPS Agreement) provide some principles that apply to conflicts between GIs and trademark systems.

In two WTO Dispute Settlement proceedings⁸ the USA and Australia challenged the former Regulation No 2081/92⁹ of the European Community (EC) on the pro-

⁷ The WTO has currently 164 Member States and 20 observers (October 2016).

⁸ WTO-Dispute No. DS174, *European Communities — Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs (Complainant: United States)* and WTO-Dispute No. DS290, *European Communities — Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs (Complainant:*

tection of geographical indications and designations of origin for agricultural products and foodstuffs.¹⁰ With respect to the relationship between GIs and (prior) trademarks the WTO Panel found that Art. 16.1 TRIPS obliges the Member States of the WTO to make available to trademark owners a right against certain uses of their trademarks, *including* uses as GIs. Therefore, the Panel initially concluded that the replaced Regulation No 2081/92 was inconsistent with Art. 16.1 TRIPS as it limited the availability of trademark rights where the concerned trademarks were used as GIs. However, the Panel ultimately found that the Regulation No 2081/92, on the basis of the evidence presented, was justified under Art. 17 TRIPS, which permits WTO Member States to provide reasonable exceptions to trademark rights. As a result, the Panel rejected the main attacks by the USA and Australia. The Panel's findings nevertheless confirm that the EC could determine any limitations on trademark rights only with respect to the territory of the EC and that it could not do so with respect to the territory of other WTO members.

On the other hand, the Panel backed some other challenges asserted by Australia and the USA. The Panel found that the equivalence and reciprocity conditions in respect of GI protection violated the national treatment obligations under Art. 3.1 TRIPS.¹¹ The Panel also found that the Regulation's procedures requiring non-EC nationals, or persons resident or established in non-EC countries, to file an application or objection in the European Communities exclusively through their own government (but not directly with EC Member States) provided formally less favourable treatment to other nationals and products in violation of Art. 3.1 TRIPS. In the USA Report, the Panel finally found that the Regulation's requirement that third-country governments provide a declaration that structures to inspect compli-

Australia). Available under:

https://www.wto.org/english/tratop_e/dispu_e/dispu_status_e.htm.

⁹ Commission Regulation (EEC) No 2081/92 of 14 July 1992 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs, OJ 1992, L 208, p. 1.

¹⁰ This regulation has been replaced in the meantime. See Section 3.1.1 below.

¹¹ In order to register third-country GIs in the EC, the former EC Regulation 2081/92 required non-EC countries to adopt a GI protection system equivalent to that in the EC and provide reciprocal protection to products from the EC.

ance with GI registration were established on its territory also violated Art.

3.1 TRIPS.

All of the countries that provided National Reports are members of the WTO and have to implement the minimum standards of the TRIPS Agreement.

2.2.2 The Lisbon Agreement

The Lisbon Agreement¹² was adopted in 1958 and was revised in Stockholm in 1967. It entered into force on September 25, 1966. The Agreement is administered by the International Bureau of WIPO, which keeps the International Register of Appellations of Origin. Registered Appellations of Origin are also published in the WIPO bulletin entitled "Appellations of origin". It is also available in electronic format.¹³

The international registration of an appellation of origin assures it of protection, without any need for renewal, for as long as the appellation is protected in the country of origin. However, the competent authorities of the member countries that have received notice of the registration of an appellation of origin have the right to refuse to protect it in their territory.

From the countries that have provided National Reports the Czech Republic, France, Hungary and Italy are members of the Lisbon Agreement.

The Diplomatic Conference for the Adoption of a New Act of the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration which took place in May 2015 adopted the Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications. The Geneva Act extends protection beyond Appellations of Origin and also includes GIs and the act furthermore allows intergovernmental organizations like the EU to become parties. There are also other differences between the original Lisbon Agreement and the Geneva Act. The Geneva Act will become effective as soon as there are five ratifications or accessions.

¹² Available under: <http://www.wipo.int/wipolex/en/details.jsp?id=12586>.

¹³ Available under: <http://www.wipo.int/lisbon/en/>.

The EU seems to be interested in becoming a member of the Geneva Act of the Lisbon System and it will be interesting to see how the system develops.

3. Overview of Regional and National Systems

This International Report examines the different international, regional and national rules offering protection to suppliers regarding the several types of indications of origin, based on the answers to the questionnaire distributed among the different National Rapporteurs. The first three questions to the National Rapporteurs were of a very general nature, giving the Rapporteurs the opportunity to lay-out the basic concepts of their country's legal framework protecting different types of indications of origin.

3.1 EU System for the Protection of GIs for Agricultural Products Including Wines and Spirits

3.1.1 EU Regulations

On a regional level, the EU has implemented *inter alia* the following Regulations that deal with the use and protection of GIs for agricultural products (including foodstuffs), wine, spirits and aromatised wines (collectively *EU Regulations*):

- Regulation No 1151/2012 on quality schemes for agricultural products and foodstuffs (*Foodstuffs Regulation*);¹⁴
- Regulation No 1308/2013 establishing a common organization of the markets in agricultural products (*Wine Regulation*);¹⁵
- Regulation No 110/2008 on the definition, description, presentation, labelling and the protection of geographical indications of spirit drinks (*Spirits Regulation*);¹⁶ and

¹⁴ Regulation (EU) No 1151/2012 of the European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products and foodstuffs, OJ 2012, L 343, p. 1.

¹⁵ Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organization of the markets in agricultural products, OJ 2013, L 347, p. 671.

- Regulation No 251/2014 on the definition, description, presentation, labelling and the protection of geographical indications of aromatised wine products (*Aromatised Wine Regulation*).¹⁷

Those regulations apply in the EU and accordingly in the following reporting countries: Austria, Belgium, the Czech Republic, France, Germany, Hungary, Italy, Malta and, for now, the UK.

In the EU, two schemes known as *PDO* (*protected designation of origin*) and *PGI* (*protected geographical indication*) promote and protect geographical names of quality agricultural products and foodstuffs. Those products are labelled with the following EU symbols:¹⁸



Figure 1: PDO and PGI symbols

PDOs identify products that are produced, processed *and* prepared in a specific geographical area, using the recognized know-how of local producers and ingredients from the region concerned. These are products whose characteristics are linked to their geographical origin. They must adhere to a precise set of specifications. Examples are Bordeaux (France, wine), Cava (Spain, wine), Tiroler

¹⁶ Regulation (EC) 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, OJ 2008, L 39, p. 16.

¹⁷ Regulation (EU) No 251/2014 of the European Parliament and of the Council of 26 February 2014 on the definition, description, presentation, labelling and the protection of geographical indications of aromatised wine products, OJ 2014, L 84, p. 14.

¹⁸ Art. 12(3) Foodstuffs Regulation.

Bergkäse PDO (Austria, cheese), Prés-salés du Mont-Saint-Michel PDO (France, fresh meat product) or Pistacchio verde di Bronte PDO (Italy, fruit).

PGIs identify products whose quality or reputation is linked to the place or region where it is produced, processed *or* prepared, although the ingredients used need not necessarily come from that geographical area. All PGI products must also adhere to a precise set of specifications. Examples are Liliputas PGI (Lithuania, cheese), Gofio canario PGI (Spain, cereals product), Walbecker Spargel PGI (Germany, vegetable), České pivo PGI (Czech Republic, beer), Lammefjordskartofler PGI (Denmark, vegetable) or Primorska PGI (Slovenia, wine).

At EU level, the *sui generis* protection of GIs dates back to 1970 for wines, 1989 for spirits and 1992 for other agricultural and foodstuff products.

The content of EU Regulations has been gradually extended via bilateral agreements between the EU and non-EU countries, e.g. by the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, on the one side, and Ukraine, on the other side (EU-Ukraine Association Agreement)¹⁹ and the Agreement between the European Community and the Swiss Confederation on trade in agricultural products.²⁰ In addition, the EU has entered into several agreements concerning the protection of GIs for wines and spirits. Furthermore, the EU Regulations frequently serve as a model for new national laws, e.g. in Switzerland.

As a reaction to the European developments for the PDO/PGI protection of GIs for foodstuffs in the early 1990ies *Switzerland*, not being a member of the EU, implemented its "Ordination on the Protection of Designations of Origin and Geographical Indications for Agricultural Products and Processed Agricultural Products"²¹, protecting PDOs and PGIs in an almost identical way to the EU approach. Since 1999 there has been a mutual recognition scheme between EU

¹⁹ Agreement of 27 June 2014, in force since 1 January 2016.

²⁰ Agreement of 21 June 1999, in force since 1 June 2002.

²¹ Ordinance on the protection of geographical indications and denominations of origin for agricultural products and foodstuffs (PDO/PGI Ordinance), systematic collection of Swiss law (SR) 910.12.

PDOs and PGIs in the wine and spirit sector and since December 2011 the EU and Switzerland mutually recognize each other's PDOs and PGIs for agricultural products (with the exception of the term "Emmentaler", which is considered a PDO by Switzerland and a generic term by the EU).

As mentioned before, the *EU* has entered into several bilateral agreements concerning the protection of geographical indications. Most of those agreements concern geographical indications for *wines and/or spirits*. The Agreement on Trade in Wine between the EU and *Australia* is one of the earliest examples of bilateral agreements concluded between the European Community and another country for the protection of geographical indications. The Agreement was signed in Brussels and Canberra on 25 and 31 January 1994 respectively. Other and similar agreements have been concluded *inter alia* with *Mexico* (signed in 1997), *South Africa* (1999), *Switzerland* (1999), *Chile* (2002), *Canada* (2003), and the *USA* (2006).

3.1.2 Registration Process

GIs of agricultural goods and foodstuffs that are registered in the EU are published in the Database of Origin & Registration (DOOR) administrated by the European Commission. GIs of wines are registered in the database E-Bacchus, also administered by the European Commission.

Under the Foodstuffs Regulation, registration of a GI is affected through the relevant EU Member State. The application documents are submitted to the responsible national authorities who then first check the eligibility of the group that applies for the registration of a new GI and the specification submitted. In Belgium, applications even undergo two instances of review (one on the regional level and one national examination). After the national registration procedure the documents are forwarded to the European Commission, which then continues with the Community law examination procedure.

In the EU, there is no harmonization as to whether the applications are examined by the national trademark offices, by special institutes or by representatives of the national administration that is responsible for agricultural products.

3.1.3 Scope of Protection of Registered GIs in the EU Register

In the EU, registered GIs for agricultural products and foodstuffs are protected against:²²

- any direct or indirect commercial use of a registered name in respect of products not covered by the registration 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;
- 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;
- 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; and
- any other practice liable to mislead the consumer as to the true origin of the product.

This scope of protection goes beyond the protection of IOs against misleading use. It does not require a risk that consumers might be misled. In addition, registered GIs are also protected against the exploitation of their reputation similar to famous or well-known trademarks. Part of the legal doctrine argues that this protection goes too far. Interestingly, none of the National Reports mentioned that the scope of protections for registered GIs in the EU is inflated.

3.1.4 GIs Opposed to Non-protected Generic Terms

In the context of GIs, generic terms are names which, although they denote the place from where a product originates, have become the term customary for such a product. Examples of GIs that have become generic terms are Cheddar and Cam-

²² See Art. 15 Foodstuffs Regulation.

embert for cheese. Those names can now be used to designate specific types of cheese but it is irrelevant where the products come from.

The transformation of a geographical indication into a generic term may occur in different countries and at different times. This may lead to situations where a specific indication is considered to constitute a geographical indication in some countries, whereas the same indication may be regarded as a generic term in other countries.

In Europe, the EU Regulations²³ provide that generic names cannot form the basis of a GI. The distinctiveness of a name is fundamental in determining the registrability of GIs.²⁴

Art. 41(2) Foodstuffs Regulation and Art. 43(1) Wine Regulation lists those factors that have to be taken into consideration in order to determine whether a designation of origin has become generic or not. However, these considerations are neither definitive nor do they offer much guidance; leaving the issue of whether the indication is generic open to interpretation and to the courts.

The German report correctly points out that protecting GIs in other countries while the concerned indication has become generic in the country of origin is a trade barrier. The CJEU has confirmed that the principle of free movement of goods does not allow the protection of generic names unless the registered PDO or PGI adds sufficiently distinctive elements (from a geographical point of view) to the generic term (e.g. "Orkney Scottish Island Cheddar" could be registered as opposed to simply attempting to protect the generic term "Cheddar"). Other market players may still use the generic name, despite the generic word forming part of a

²³ Art. 6(1) Foodstuffs Regulation, Art. 43(1) Wine Regulation and Art. 15(3) Spirits Regulation.

²⁴ Art. 3(3) of the repealed Regulation No 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 Member States as to the names to be included, this list was never finalized or published. The Foodstuffs Regulation did not impose a similar obligation on the Council.

registered PDO or PGI (e.g. "Camembert" may still be used even if the term "Camembert de Normandie" is a protected PDO according to EU law).

In the EU, the criteria by which a name is considered generic were examined in relation to the name "Feta" (although Feta is not a geographical name per se).²⁵ Before the registration of the term Feta as a GI under the former Regulation No 2081/92, the name Feta enjoyed protection through use in Greece. The Greek government eventually applied to have Feta registered as a PDO on the EU level and caused some controversies, so that the case came twice before the CJEU.

During the application process, the EU Commission carried out market surveys to determine whether the name Feta had become generic and, upon concluding that the name was not generic, registered Feta as a PDO in 1996.

Denmark, France and the UK objected and argued that the surveys carried out were not sufficient proof that the name Feta was not generic as it did not consider consumer perception of whether the name Feta was generic or not outside the country of origin (i.e. outside Greece). The CJEU held:

"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."²⁶

Following the CJEU's ruling, the PDO Feta was annulled and a questionnaire was sent to other EU Member States to investigate "Feta" cheese production across the EU and the average consumer's perception in each Member State. It was concluded that Feta was not a generic name. On this basis, the Commission registered the

²⁵ Joined cases CJEU, C-465/02, Federal Republic of Germany v Commission and C-466/02 Kingdom of Denmark v Commission, ECR 2005 I-9178.

²⁶ Ibid., para. 3.

PDO Feta again. The registration was contested again by some EU Member States, but this time the CJEU confirmed that, although some other countries had used the name Feta in a generic manner for a long period of time, Feta was still sufficiently affiliated with the Greek culture.²⁷ Furthermore, the findings of the scientific committee confirmed that "production and consumption of this cheese has remained concentrated in Greece".²⁸

In another case the CJEU examined whether the name "Parmesan" has become generic or not.²⁹ Germany argued that the name "Parmesan" was a generic term used to refer to hard grated cheese. The CJEU did not accept this argument and held that the name "Parmesan" was not considered to be generic.

The fact that a name is not a registered PDO although it has been used for a long time does not necessarily imply that said name has become generic.³⁰

While generic terms cannot be registered as PDOs or PGIs, on the other hand, a registered PDO or PGI cannot become generic.³¹

The CJEU was faced with the issue of whether some parts of a PDO could become generic post-registration in the *Époisses* case.³² 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 defense, 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

²⁷ *Ibid.*, para. 21.

²⁸ *Ibid.*, para. 83.

²⁹ CJEU, case C-132/05, *Commission of the European Communities v Federal Republic of Germany*, ECR 2008 I-957.

³⁰ CJEU, case C-466/07, *Alberto Severi v. Regione Emilia-Romagna* ("Salame Felino"), ECR 2009 I-8041, para. 47.

³¹ Art. 13(2) of the Foodstuffs Regulation, Art. 45(3) of the Wine Regulation and Art. 15(3) of the Spirits Regulation.

³² CJEU, joined cases C-129/97 and C-130/97, *Chiciak and Fol; Criminal proceedings against Yvon Chiciak and Others* ("Époisses"), ECR 1998 I-3315.

the fact that PDOs are immune from becoming generic, 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.³³ In fact, negotiations concerning which names are generic and which names ought to be protected are still ongoing on an international level. 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).³⁴

Unlike in the USA, so called *semi-generic terms* are not allowed under the EU PDO and PGI system. The USA allows domestic production of wines bearing protected names such as Champagne if they also disclose the origin of production near the semi-generic name. So a bottle may say California Champagne or Chianti from Washington, which is intended to differentiate it from Champagne from France or Chianti from Italy. The majority of these semi-generic designations were originally based on the names of well-known European wine-producing regions. The agreement between the USA and the EU allows US producers making semi-generic wines under a certificate of approval obtained before 10 March 2006 to continue to do so. The permitted semi-generic wines are: burgundy, claret, chablis, champagne, chianti, malaga, marsala, madeira, moselle, port, retsina, rhine wine or hock, sauterne, haut sauterne, sherry, or tokay.

3.1.5 Exclusive Nature of the EU Regulations

In a recent decision, the CJEU confirmed the exclusive character of the EU's competence with regard to the protection of geographical indications relating to

³³ D. Giovannucci, T. Josling, W. Kerr, B. O'Connor, M. T. Yeung, Guide to Geographical Indications: Linking Products and their Origins, International Trade Centre 2009, p. 37. Available under: http://legacy.intracen.org/publications/Free-publications/Geographical_-_Indications.pdf.

³⁴ T. Wattanaputtipaisan, Trademarks and Geographical Indications: Policy Issues and Options in Trade Negotiations and Implementation, Asian Development Review 2009(1), pp. 116–205. Available under: <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.177.2674&rep=rep1&type=pdf>.

agricultural products and foodstuffs.³⁵ While this decision still leaves many questions unanswered (e.g. as to whether the EU Member States are still allowed to protect GIs under national unfair competition law rules or in trademark protection schemes), it is established that the EU Member States are still competent to regulate the use of simple indications of origin that do not qualify as geographical indications.³⁶

For example *Germany* forbids the use of simple IOs for goods that do not originate from the place of origin that is referred to by the IO if such use entails a risk of deception with respect to the geographical origin of the concerned good. This provision does not just apply to agricultural products. According to the same provision under German law, GIs that are linked to special properties or qualities which are due to the geographical origin of the concerned products may only be used if the concerned goods show these special properties.³⁷ Whether the German provisions also apply to GIs that are used for agricultural products but that are not registered in the EU register for PDOs and PGIs is doubtful in light of the CJEU's case law with respect to the exclusive character of the EU's competence with regard to the protection of GIs for agriculture products and foodstuffs.

3.2 GIs for Agricultural Products and Foodstuffs Outside the EU

Brazil does not have different requirements for the protection of GIs for goods and services. Brazil also provides the same level of protection for GIs for agricultural products, wines and spirits as well as other goods. Brazil has a national register for PGIs and PDOs. It is not clear whether and under what circumstances GIs that have not been registered benefit from any legal protection in Brazil. However, the National Report for Brazil suggests that unregistered GIs or IOs that do not fall within the definition of GIs are still protected under unfair competition law.

In *Japan*, the laws dealing with IOs are (i) the Law on Protection of the Names of Specific Agricultural, Forestry and Fishery Products and Foodstuffs, (ii) Japanese Trademark Law, (iii) the Unfair Competition Law; and (iv) the Law on Securing

³⁵ CJEU, case C-35/13, *Salame di Felino* (not yet published).

³⁶ IOs that do not qualify as GIs may still be protected on a national level (see e.g. CJEU, case C-312/98, *Warsteiner Brauerei*, ECR 2000 I-9187).

³⁷ German Report, Section 2.1.

of Liquor Tax and on Liquor Business Associations. The level of protection for agricultural products is different from the protection that applies to other goods. GIs for agricultural, forestry and fishery products must be registered with the Ministry of Agriculture, Forestry and Fisheries (MAFF). If a GI has been registered, a member of the group of producers which applied for the registration may use the registered GI for its products and may also use the official Japanese GI mark (see below) on the concerned agricultural, forestry and fishery product or their packaging.



Figure 2: Official Japanese GI mark

In *Ukraine* only registered GIs for goods (both national and foreign) are subject to protection. On 27 June 2014 the EU-Ukraine Association Agreement was signed. On 1 January 2016 the Agreement became effective. Under this Agreement GIs protected in the EU and in Ukraine that are listed in the specific list agreed between the EU Commission and the Ukrainian government (the list forms one of the annexes to the Agreement) enjoys legal protection in both Ukraine and the EU.

Although *Switzerland* has not submitted a National Report it should be mentioned for the sake of completeness that Switzerland will probably have one of the most complete and diverse regimes for the protection of IOs and GIs. Becoming effective on 1 January 2017, Swiss law provides a kind of unfair competition protection not only for GIs but also for IOs that are used for agricultural products and foodstuffs and also for industrial and handcrafted products. In addition, it has been possible in Switzerland to register PGIs and PDOs for agricultural products since 1997.

According to the National Reports, the *sui generis* registers for GIs for agricultural products that are in place in the EU and in other reporting countries outside the

EU provide protection only for geographical names and it is not possible to register graphical elements or 3D elements.

3.3 Non-agricultural Products

In the EU, there is no harmonized law for the protection of geographical indications for non-agricultural products. Consequently, with respect to non-agricultural products the EU Member States are free to enact their own national laws. Not surprisingly, the legal frameworks in the different reporting countries differ significantly.

As far as the protection of non-agricultural GI products at the EU level is concerned, producers can rely on the EU trademark regime which allows for the protection of geographical names under certain conditions (the trademark system is also available to agricultural products).

In 2009 the Directorate General for Trade of the European Commission commissioned a "Study on the protection of geographical indications for products other than wines, spirits, agricultural products or foodstuffs" exploring national provisions for the protection of geographical indications for non-agricultural products in EU members states, China, Russia, Brazil, India and Switzerland.³⁸ A second study published in February 2013 ("Study on geographical indications protection for non-agricultural products in the internal market") not only explores the existing national provisions protecting geographical indications for non-agricultural products but also identifies geographical indications for non-agricultural products in Europe, Iceland, Norway and Switzerland and recommends that a uniform European system for the protection and registration of non-agricultural goods be established.³⁹

According to this report, the protection of non-agricultural GI products granted under specific laws and *sui generis* GI systems normally goes beyond the protection available through trademark laws. In particular, several *sui generis* GI systems and specific laws provide for protection by public authorities, direct protection against translation, against the use of the name with expressions that

³⁸ Available under: http://trade.ec.europa.eu/doclib/docs/2011/may/tradoc_147926.pdf.

³⁹ Available under: http://ec.europa.eu/mwg-internal/de5fs23hu73ds/progress?id=-BmC3hujvSkbTIGhgCKMSiUhw_b_-ck8nXjMxC2wLv9s8.

delocalize the name of a product. In addition, under specific laws and *sui generis* GI systems, protection can be granted for an unlimited period of time, although this is not systematic (see e.g. the Indian and Russian systems). Finally, under trademark laws, the registration is made against the payment of a fee while protection granted under specific law or *sui generis* GI systems can be free (and is normally free) of costs.

In most of the reporting countries, geographical indications for non-agricultural products enjoy protection through consumer protection legislation and unfair competition laws, by specific or regional laws, through the trademark system or under *sui generis* systems. For a detailed analysis and overview we refer to the two European reports mentioned above and will in the following only highlight the points mentioned in the different reports submitted to us.

There are only a few jurisdictions that seem to have a *sui generis* registration scheme also for non-agricultural products (e.g. France and soon Switzerland).

In France, a new law regarding the protection of GIs for industrial and handcrafted products came into force on 17 March 2014. Since the middle of 2015 the registration of GIs for non-agricultural goods is possible with the French "Institute national de la propriété industrielle".

In Switzerland, the so called *Swissness* legislation will come into force on 1 January 2017. Part of this legislation is a new ordinance that allows the registration of GIs for non-agricultural products with the Swiss Federal Institute of Intellectual Property.⁴⁰ In addition, Swiss law provides the possibility of special laws that regulate the use of national GIs (similar to the German provisions concerning the use of the term "Sohlingen" for blades). In Switzerland, there is a special law that regulates the use of the terms "Swiss", "Switzerland", etc. for watches. On 1 January 2017 a second special law will become effective that rules the use of Swiss IOs for cosmetic products. Registered PDOs and PGIs and IOs that are subject to a special law can apply for a new geographical trademark from 1 January 2017 on. This new geographical mark is similar to a certification mark and can be used by all

⁴⁰ Ordinance on the Protection of Designations of Origin and Geographical Indications for Non-Agricultural Products, systematic collection of Swiss law (SR) 232.112.2.

manufacturers and traders whose goods or services fulfil the requirements of the specification of the registered mark.

Furthermore some countries have special national laws regarding specific geographical indications for non-agricultural products. The German report for example mentions the special law that protects the geographical indications "Solingen" for blades with the corresponding geographical origin. According to this special law, all essential production steps must take place in the region of origin and the raw materials must fulfil the specific requirements for this product.

3.4 Services

While the need and economic benefit of GIs for goods is established, the National Reports do not agree whether the protection of GIs for services corresponds to a practical need.

Accordingly, no multinational agreements regulate the use and protection of GIs for services. Therefore, many of the reporting countries do not have specific national provisions that regulate the use of GIs for services.

Most jurisdictions apply some kind of unfair competition/consumer protection laws to the use of IOs and GIs for services. The National Rapporteurs of Austria, Belgium, Brazil, Germany, Hungary, Japan and the UK explicitly state that the use of GIs for services in their jurisdiction must not be misleading.

On a national level, Belgium provides certain labels for GIs that also include services.

In Hungary, the country of origin of services refers to the origin of the service supplier. But no case law regarding the determination of the origin of service provider (nationality, residence, etc.) exists. The Hungarian report assumes that this is due to the fact that most services provided in Hungary cannot be offered remotely as they require the proximity of the consumer and service provider.

The use of GIs for services in Switzerland is rather popular, especially by banks (e.g. Credit Suisse, Basler Kantonalbank, etc.), insurance companies (e.g. Swiss Re) and also companies in the energy, telecommunications and tourism industry. Accordingly, the revised Swiss Trademark Act that will become effective on 1 January 2017 provides specific provisions for the use of indications of origins for

services. Although part of the revised Trademark Act, those provisions really qualify as rules to prevent unfair competition.

Some National Reports require that there should be common standards to define the place of origin of services. This seems to be necessary e.g. to define whether an applicant is allowed to file a Chinese trademark "Paris Cosmetics" for services in connection with the development and distribution of cosmetic products in China. It should also be possible to define common requirements under what circumstances a bank in Belarus is allowed to offer "Swiss financial services".

3.5 Treatment of Foreign IOs and GIs

The questionnaire that was sent to the National Rapporteurs asked whether the same provisions apply to domestic IOs as to foreign IOs. In addition, the National Rapporteurs were asked to explain whether in their jurisdiction the so called country-of-origin principle applies, according to which foreign IOs or GIs are judged according to the law of the country of origin.

There are several options on how to grant protection to foreign GIs. The two most prominent options are the following: through a multilateral or bilateral agreement with another state, acknowledging certain foreign GIs, or by offering foreigners the opportunity to register their GIs in the own country. The general recognition of foreign GIs through international treaty certainly has the advantage that no national registration procedure has to be established. The downside of this option is that persons or groups with legitimate interests in the protection of certain foreign IOs or GIs normally do not have equal legal means to object to the protection of their foreign IOs or GIs. A third option would be that national law provides that the use of foreign IOs or GIs is subject to the laws of the country of origin where the IO or GI stems from. It seems that Switzerland is the only jurisdiction worldwide that follows this approach whereby Swiss national law states that the use of foreign IOs and GIs is subject to the rules of the country of origin where the indication refers to.⁴¹

⁴¹ See Art. 48 para. 5 Swiss Trademark Act (effective since 1 January 2017).

In Europe, the former Foodstuffs Regulation, Regulation No 2081/92⁴², did allow the registration of foreign (non-European) GIs only under specific conditions (e.g. the concerned foreign GI had to be registered in the country of origin). The United States and Australia 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 in the two proceedings⁴³, the former EU-Regulation was replaced by Regulation No 510/2006⁴⁴. Regulation No 510/2006 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. These amendments brought the new Regulation regarding the protection of GIs in line with the TRIPS Agreement. Those two WTO disputes made it clear that *sui generis* registration systems for the protection of GIs cannot remain reserved for domestic indications.

Today, the registration of GIs of agricultural goods and foodstuffs according to the Foodstuffs Regulation and wine according to the Wine Regulation is open to indications from all WTO countries, not only from EU Member States.

Protection of indications of origin of wine under the Wine Regulation is granted if the concerned GI is registered within the EU and the GIs are also protected in the foreign country.⁴⁵

The Brazilian Rapporteur stated that in Brazil there exists a simplified registration proceeding for foreign GIs that were already acknowledged as GIs in their country

⁴² Commission Regulation (EEC) No 2081/92 of 14 July 1992 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs, OJ 1992, L 208, p. 1.

⁴³ More details in Section 2.2.1 above.

⁴⁴ 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, OJ 2006, L 93, p. 12.

⁴⁵ Art. 94(3) Wine Regulation.

of origin or by competent international organizations and are therefore exempted from certain requirements.⁴⁶

3.6 Competition Law Issues

Competition law issues in connection with the registration of PDOs and PGIs were especially highlighted in the Italian Report, which referred to the case *Consorzio Parmigiano Reggiano*, in which manufacturer associations that were responsible for the production of *Parmigiano Reggiano* tried to fix the maximum quantity of the total production as well as the annual production share of each cheese maker concerned by the registered GIs, which was then punished by the responsible authorities.⁴⁷ The Italian authorities condemned the quota systems in which the parties allocated to each other a maximum permissible volume of production.

The Swiss Federal Supreme Court recently had to deal with a similar problem.⁴⁸ A producer of a type of Swiss cheese (called Etivaz), which is registered as DOP in the Swiss register requested access to certain caverns of the organization of the Etivaz producers in order to stock his cheese during the ripening process. The specification of the DOP Etivaz requires that the cheese has to be ripened in specific caverns. The plaintiff argued that access to these caverns is required to sell the cheese under the specific DOP and that no other caverns were available. The Secretariat of the Swiss Competition Commission (Secretariat) was appointed to provide a court expert opinion. The Secretariat had to examine in its expert opinion whether the caverns of the Etivaz producers organization is an essential facility and whether the refusal to provide access to those caverns constitutes an abuse of a dominant position. In its assessment, the Secretariat stated that there were acceptable alternatives to the caverns to which the plaintiff has requested access because other caverns could be adapted to fulfil the criteria of the specification of the DOP Etivaz. The competent civil court confirmed in its decision the view of the Secretariat, ruling that the defendant's refusal to provide storage space in its cav-

⁴⁶ Brazilian Report, Section 3.

⁴⁷ Italian Report, Section 8; see also Mario Siragusa/Matteo Beretta/Matteo Bay, Competition Law in Italy, The first 20 years of law and practice, fn. 48. Available under: <https://www.clearygottlieb.com/~media/cgsh/files/other-pdfs/competition-laws-outside-the-united-states.pdf>.

⁴⁸ Swiss Federal Supreme Court decision of 23 May 2013, BGE 4A_449/2012.

erns was not an abuse of a dominant position according to Swiss antitrust law. However, the Swiss Federal Supreme Court reversed this decision and ruled on 23 May 2013 that the refusal to provide access to the defendant's caverns was based on unjustified reasons and, thus, constitutes an abuse of a dominant position. The Swiss Federal Supreme Court came to the conclusion that from the plaintiff's perspective the relevant market was the Etivaz market in Switzerland. Therefore, the organization of the Etivaz manufacturers had a dominant position. In most other decisions concerning the cheese market the concerned Swiss authorities or courts normally decide that the relevant market is a European market and, therefore, the organizations of Swiss cheese manufacturers are normally not deemed to have a dominant position on the market.

3.7 Exclusion of Long-lasting Users?

Another problematic issue is not only the attempt of producers to use the registration of a GI to limit the volume of the production of a certain product but that they could also try to exclude other manufacturers, suppliers and distributors of the concerned goods from using the GI after the IO's registration.

For example, the first draft of the specification of the Swiss PDO "Gruyère" provided that the cheese vats that are allowed to be used for the manufacture of Gruyère cheese shall be limited in size. The size of the vats that was mentioned in the first draft would have excluded some long-standing users of the PDO. The Swiss Federal Office for Agriculture, which is responsible for registering GIs for agricultural products in Switzerland, did not accept this part of the specification.

Most National Rapporteurs found that there is a risk that long-standing users of a GI might be excluded after registration. The abuse of a registration of a GI just to exclude competitors from the lawful use of a GI could be prevented by allowing oppositions.⁴⁹

Brazil highlighted that even though such conflicts were possible, the Rapporteur was not aware of any such conflict in Brazil.

⁴⁹ Hungarian Report, Section 9.

The Feta Case decided by the CJEU⁵⁰ shows that even legitimate users of an indication can be excluded from marketing their products with a registered GI. However, in any case, such a verdict must be proportionate and should provide reasonable transitory periods.

In Europe under the Foodstuffs Regulation a manufacturer can object to the registration and prevent their exclusion according to Art. 10(1)(c) Foodstuffs Regulation if he proves that registration of the proposed name would jeopardize the existence of products which have been legally on the market for at least five years. This objection might not hinder the registration, but it leaves the Member States the possibility to grant a national transitional period of up to 10 years, so that manufacturers can comply with the specification (see Art. 15(4) Foodstuffs Regulation).⁵¹ Once the registration of a GI in the European register has become final and binding, it is not possible to cancel this registration based on the alleged fact that the registration was abusive.⁵²

3.8 GIs as Collective Marks or Certification Marks

While in most countries it is (almost) impossible to register an IO as an individual trade mark without any additional graphical element(s) or showing secondary meaning, some countries allow the registration of GIs as collective marks or certification marks.

Certification marks share some common features with collective marks: both can be used by a large number of producers and both can be a warranty of respect of certain standards for consumers. However, they have different objectives since a certification mark serves to certify that a good or a service complies with certain standards whereas a collective mark aims to signal that a good or a service is originated by a member of a given association.

⁵⁰ Joined cases CJEU, C-465/02, *Federal Republic of Germany v Commission* and C-466/02 *Kingdom of Denmark v Commission*, ECR 2005 I-9178.

⁵¹ P. Ströbele and F. Hacker, *Markengesetz*, 11th Ed., Munich 2015, Art. 130 para. 103.

⁵² P. Ströbele and F. Hacker, *Markengesetz*, 11th Ed., Munich 2015, Art. 132 para. 28.

The former Regulation No 207/2009⁵³ (*Community Trade Mark Regulation*) provided for the possibility of registering collective marks but did not foresee a certification mark at EU level.

The newly amended Regulation No 2015/2424⁵⁴ (*EU Trade Mark Regulation*) will introduce a new EU certification mark as a complement to the existing provisions on EU collective marks. The provisions governing the EU certification marks shall apply from October 2017 on.

The new Directive No 2015/2436⁵⁵ (*Trade Marks Directive*) defines the concept of "guarantee marks or certification marks" and establishes a set of rules for this type of marks (see Art. 28). Under the new Trade Marks Directive, the registration of certification marks at national level in EU Member States is not compulsory, but an option.

The geographical origin of the concerned goods has traditionally been considered as one of the characteristics that could be certified by means of a certification mark. Therefore, the new Trade Mark Directive allows that certification marks at national level designate the geographical origin of the goods or services.

Remarkably, the amended EU Trade Marks Regulation expressly excludes the geographical origin from the list of characteristics that the new EU certification mark may certify, thus separating the scope of protection of the EU certification mark from the scope of protection of the GI.

⁵³ Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark, OJ 2009, L 78, p.1.

⁵⁴ Regulation (EU) 2015/2424 of the European Parliament and of the Council of 16 December 2015 amending Council Regulation (EC) No 207/2009 on the Community trade mark and Commission Regulation (EC) No 2868/95 implementing Council Regulation (EC) No 40/94 on the Community trade mark, and repealing Commission Regulation (EC) No 2869/95 on the fees payable to the Office for Harmonization in the Internal Market (Trade Marks and Designs), OJ 2015, L 341, p. 21.

⁵⁵ Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trade marks, OJ 2015, L 336, p.1.

The conflict between trademarks and GIs has become an important topic. For the proponents of protecting geographical indications, the mere possibility of a trademark protected in one part of the world being identical or similar to a geographical indication protected in another part of the world amounted to an onslaught on the cultural heritage of the user of the GI, which would, in their view, undoubtedly deserve universal protection. For trademark owners, the hypothesis that a prior trademark could be deprived of its exclusivity or – even worse – completely expropriated on the basis of a GI existing in another part of the world was seen as nothing but a blunt confiscation of valuable private property and a violation of private property and a mere confiscation by the state.⁵⁶

The German Rapporteur states that the proprietor of a trademark is not entitled to prohibit a third party from using indications of origin in the course of trade, if the use is not contrary to morality and that the registration of a GI as a collective mark does not give the proprietor the right to prohibit a third party from using such indications in the course of trade, provided that the use complies with the accepted principles of morality. This is due to the fact that EU trademark law provides that neither collective marks nor certification marks shall entitle their 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 in industrial or commercial matters; in particular, such a mark may not be invoked against a third party who is entitled to use a geographical name.

4. Other Geographical References, e.g. to the Geographical Place of Manufacturing Steps or R&D

Globalization makes it increasingly difficult to determine one single geographical origin for products and services. Therefore, indications that do not refer to the single geographical origin of a product or service but rather describe where certain developing or manufacturing steps took place (such as "Designed in France", "Made in China" or "Smoked and processed in the UK with meat from Brazil") become more and more relevant. Although those designations may not have the same function as typical geographical "brands" (like e.g. "Champagne") they can

⁵⁶ B. Goebel, M. Groeschl, The Long Road to Resolving Conflicts Between Trademarks and Geographical Indications, *The Trade Mark Reporter* 2014(4), pp. 829-869.

still transmit important information to consumers that might be relevant for the buyers' decision process.

Several National Reports are of the opinion that the use of such indications ("Designed in France" and "bottled in Hungary") is not subject to clear requirements.

Labelling goods or services with geographical references such as "Made in USA" or "Research and Technology from Denmark" might be lawful even if the concerned goods or services do not originate from the referenced territory.

However, the Czech Report states that according to recent studies and research labels such as "Made in Czech Republic" or "Made in Czech" are not as attractive to manufacturers and consumers as they used to be. Therefore, Czech producers prefer to use "Made in the EU".

Most jurisdictions do not have any specific provisions that dictate under what circumstances the use of geographical names that refer to the place of certain manufacturing steps or the place where R&D took place are lawful.

All jurisdictions have customs rules and authorities that issue certificates of origin according to customs laws. Those certificates allow the use of the label "Made in [...]" on products.

Regulation (EU) No 952/2013 laying down the Union Customs Code (*Customs Code*)⁵⁷ defines the administrative origin of the goods under customs provisions in Art. 60 ("Acquisition of origin"):

- (i) "Goods wholly obtained in a single country or territory shall be regarded as having their origin in that country or territory."
- (ii) "Goods the production of which involves more than one country or territory where they underwent their last, substantial, economically-justified processing or working, in an undertaking equipped for that purpose, resulting in the manufacture of a new product or representing an important stage of manufacture."

⁵⁷ Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code, OJ 2013, L 269, p. 1.

Art. 60 (2) of the Customs Code describes the so called principle of "substantial transformation". Art. 31 and 32 of the Regulation (EU) 2015/2446⁵⁸, lists the different productions steps required for a substantial transformation. Still there are big differences on how to determine the origin of a product.

The problem is that the laws dealing with the use of IOs and GIs are normally not in line with customs regulations. There are fundamental differences between the rules of origin governed by customs law and the rules governing GIs in accordance with PGI and PDO systems. The use of GIs must be accurate and contribute to genuine and fair competition in particular from a consumer perspective. Rules of origin under customs law, however, serve to implement foreign trade and customs tariff measures including the establishment of customs tariffs. Proof of origin or a certificate of origin confirms that a product has been entirely produced in a particular country or has undergone "substantial transformation" in that country.

5. Determination of the Geographical Origin of Goods or Services

While registration systems that require a specification that must be met if a registered GI is used, systems that do not require specifications (e.g. unfair competition/consumer protection provisions) do not normally define how to examine what the origin of a product is.

There are only a few countries that provide clear rules on how to define the origin of a product, e.g. Hungary and Switzerland.⁵⁹ Both countries provide detailed requirements that have to be fulfilled if e.g. the name "Hungary" or "Switzerland" shall be used for products or services.

While Hungary only has legal provisions governing foodstuffs,⁶⁰ the new Swiss legislation differentiates between goods and services. And goods are further divid-

⁵⁸ Commission delegated Regulation (EU) 2015/2446 of 28 July 2015 supplementing Regulation (EU) No 952/2013 of the European Parliament and of the Council as regards detailed rules concerning certain provisions of the Union Customs Code, OJ 2015, L 343, p. 1.

⁵⁹ Please note that we refer to the new "*Swissness*" legislation coming into effect as of 1 January 2017.

⁶⁰ Hungarian Report, Section 3.

ed into the three categories of natural products, foodstuffs and industrial products. For example, the origin of a food product is where its' essential processing step has taken place and 80% of the weight of the raw materials originates from.⁶¹ Swiss manufacturers complain that the new law is too complicated and burdensome and that it is not clear whether the determination of the origin of a product actually corresponds to the general consumer's perception.

Some countries report that the origin of a product shall be determined in accordance with the customs provisions. This is problematic as well because customs rules, as shown above, have not been designed to prevent consumer deception.

While some countries have rules to determine the origin of a good or service, no reporting country seems to have specific provisions on how to determine whether geographical references can be used with respect to certain manufacturing steps. This is rather a surprise because other jurisdictions, e.g. the USA, have detailed rules that govern the use of references like "Made in USA" or "Assembled in USA". The US Federal Trade Commission (FTC) has issued guidelines that deal with this issue. Traditionally, the FTC has required that a product advertised as "Made in USA" be "all or virtually all" made in the US. After a comprehensive review of "Made in USA" and other US origin claims in product advertising and labelling, the FTC announced in December 1997 that it would retain the "all or virtually all" standard. The Commission issued new and detailed guidelines on how to comply with the "all or virtually all" standard. US content must be disclosed on automobiles and textile, wool, and fur products. There is no law that requires most other products sold in the US to be marked or labelled "Made in USA" or have any other disclosure about their amount of US content. However, manufacturers and marketers who choose to make claims about the amount of US content in their products must comply with the FTC's "Made in USA" policy.

According to the FTC, even if customs determined that an imported product does not need a foreign country-of-origin mark, it is not necessarily permissible to promote that product as "Made in USA". The FTC considers additional factors to decide whether a product can be advertised or labelled as "Made in USA" and does not rely on customs regulations.

⁶¹ Art. 48b of the Swiss Trademark Protection Act (effective as per 1 January 2017).

6. Mandatory Labelling

6.1 Introduction

Disclosing the origin is mandatory for the following products in the EU:

- (i) *Food products*, pursuant to Regulation (EU) No 1169/2011;⁶²
- (ii) *Cosmetics*, according to Regulation (EU) No 1223/2009.⁶³ Pursuant to Art. 19 para 1 lit. a Regulation (EC) No. 1223/2009, cosmetic products shall only be made available on the market, if the container and packaging of the product bear the name and address of the responsible person. If the cosmetic product is imported, the country of origin must be added. According to Art. 9 of this regulation, EU Member States are not allowed to restrict the availability of products which comply with the requirements of the regulation.

The National Rapporteurs of non-European countries such as Brazil report that their countries have specific rules concerning the labelling of foodstuffs, alcoholic beverages, cosmetics, pharmaceuticals and other goods. The Japanese report highlights that the aim of those mandatory labelling requirements clearly is to provide consumers with sufficient information.

6.2 Conflict between Mandatory Labelling and Optional Use of GIs

Mandatory indications of origin and optional indications of origin may exist side by side and supplement each other, as long as the optional indication does not contradict the mandatory indication.⁶⁴

However, in the EU for example, there may be conflicts between the mandatory labelling requirements according to e.g. Regulation No 1169/2011 in the foodstuff sector and the optional use of GIs protected by the Foodstuffs Regulation.

⁶² Regulation (EU) No 1169/2011 of the European Parliament and of the Council of 25 October 2011 on the provision of food information to consumers, OJ 2011, L 304, p. 18.

⁶³ Regulation (EU) No 1223/2009 of the European Parliament and of the Council of 30 November 2009 on cosmetic products, OJ 2009, L 342, p. 59.

⁶⁴ O. Sosnitzka, Obligatorische Herkunftskennzeichnung im Lebensmittelrecht, GRUR 2016, pp. 347-355.

According to the Foodstuffs Regulation the raw material of a PGI does not need to originate from the geographical origin in question.⁶⁵ The German Report gives the example that the pork of "*Schwarzwälder Schinken*" does not need to originate from the German region "*Schwarzwald*"; it is sufficient if the other manufacturing steps, especially the smoking, took place there. However, pursuant to Art. 26(3) Regulation No 1169/2011 the labelling of the origin of the primary ingredient of a foodstuff, i.e. the pork, is mandatory.⁶⁶

At the same time there may also be a conflict if a GI is not allowed under the Foodstuffs Regulation but mandatory according to another Regulation. As an example, Regulation No. 1760/2000⁶⁷, concerns the labelling of beef and obliges producers to indicate the origin of the beef, e.g. Bavaria. However, "*Bayerisches Rindfleisch*" (Bavarian beef) is protected under the Foodstuffs Regulation and may only be used for certain breeds of cattle. The use of "*Bayerisches Rindfleisch*" for beef of a breed of cattle which does not comply with the specification is prohibited.⁶⁸ The only possibility to comply with both Regulations is to use other geographical terms, e.g. "Germany". Therefore, some German literature advocates allowance to use clarifying additions.⁶⁹

While in Hungary the Hungarian Competition Authority mainly judges such cases based on the consumer's perception, the Belgian Report concludes that in the event of a conflict between the various applicable rules, a decision must normally be made in favour of the mandatory labelling rules since they are required. However, the Belgian King reserves the right to intervene by adopting regulations to amend the labelling, designation and/or composition of a product to resolve any difficulties or conflict.

⁶⁵ Art. 5(2) Foodstuffs Regulation.

⁶⁶ German Report, Section 10.

⁶⁷ Regulation (EC) No. 1760/2000 of the of the European Parliament and of the Council of 17 July 2000 establishing a system for the identification and registration of bovine animals and regarding the labelling of beef and beef products, OJ 2000, L 204, p. 1.

⁶⁸ Art. 13(1) lit. a Foodstuffs Regulation.

⁶⁹ Which is usually prohibited under art. 13(1) lit. b Foodstuffs Regulation, see German Report, Section 10.

Brazil provides that the mandatory labelling should not be unnecessarily highlighted in a way that the consumer thinks that the source of the product/service is in fact a geographical indication.

The Swiss Institute of Intellectual Property states that mandatory as well as voluntary GIs may co-exist and for that it is essential that mandatory indications under the applicable Swiss law may not be used as a selling argument. Therefore, the Swiss solution is very similar to the Brazilian approach. To avoid possible conflicts, the reference to the country of production under the mandatory labelling law may not, in principle, be written more prominently in terms of colour, size and character type than all other mandatory indications.⁷⁰

The other National Rapporteurs do not see a big risk of conflicts. Interestingly, the UK Rapporteur as well as the Japanese Rapporteur assume that conflicts are rare because the registration of a GI is rather difficult to obtain.

7. Conclusions and Resolutions

7.1 Conclusion 1

In the past, different systems for the regulation and protection of indications of origin have emerged. Many jurisdictions have implemented multiple mechanisms that govern the use of indications of origin (including geographical indications) for goods and in some cases also for services (e.g. provisions to prevent unfair competition, systems for the protection of collective marks and/or certification marks, sui generis registers for geographical indications, etc.).

Apart from historical contingency, there are sometimes strategic advantages to these overlapping regimes. For instance, the EU Foodstuffs Regulation provides only for the registration of words so the figurative marks like the Darjeeling female leaf picker or the Parma ducal crown have to be protected as trade marks. Also trade mark protection (whether individual or collective) opens up access to the Madrid System for international registration and domain name protection under ICANN's Uniform Domain-Name Dispute-Resolution Policy (UDRP).

⁷⁰ Swiss Federal Institute of Intellectual Property, Frequently asked questions – the "Swissness" legislation, p. 5. Available under: https://www.ige.ch/fileadmin/user_upload/Swissness-/e/faq_e/-FAQ_EN_Swissness.pdf.

Parallel systems for the regulation and protection of indications of origin have always existed and, as seen above, there are sometimes good reasons for having several regimes that deal with the use and protection of indications of origins. The different systems should therefore not be played off one against the other (therefore, the recent case law of the CJEU⁷¹ which wants to avoid parallel systems that deal with the use and protection of geographical indications and implicitly suggests that national unfair competition protection or even trade mark protection may not be possible does not seem to simplify the legal situation but forces different approaches into one single system which does not seem to be drafted for that purpose).

In light of the reasons above the first resolution adopted at the LIDC's Geneva Congress 2016 therefore reads as follows:

Many jurisdictions have implemented multiple mechanisms and systems that govern the use and protection of indications of origin (including geographical indications (GIs)) for goods and (in rare cases also) for services. The LIDC therefore recommends that those systems should not be played off one against the other. More attention should be paid to how to coordinate the different systems.

7.2 Conclusion 2

As mentioned before, in a global world it becomes more and more difficult to determine one single geographical origin for products and services.

Therefore, indications that do not refer to one single geographical origin of a product or service but rather describe where certain developing or manufacturing steps took place as "Assembled in Germany" or "Designed in Italy, Manufactured in Poland" become more and more relevant. Although those designations may normally not have the same function as typical geographical "brands" (like e.g. "Champagne") they can still transmit important information to consumers that might be relevant for the buyers' decision process.

Several National Reports are of the opinion that the use of such indications is not subject to clear requirements and might conflict with mandatory labelling provi-

⁷¹ CJEU, case C-466/07, *Alberto Severi v. Regione Emilia-Romagna* ("Salame Felino"), ECR 2009 I-8041.

sions (in particular, in the sectors of foodstuffs, pharmaceuticals and cosmetics). Some countries try to bring their labelling requirements in line with customs regulations but this does not seem to be a satisfactory solution.

Therefore, the LIDC adopted the following second resolution:

Additional efforts should be undertaken to clarify and harmonize the requirements that have to be met when using indications that do not refer to one single geographical origin of a product or service but rather describe where certain developing or manufacturing steps took place (e.g. 'Designed in Sweden – Manufactured in Estonia').

7.3 Conclusion 3

In light of the difficulties and conflicts caused by mandatory labelling systems and the rules that govern the optional use of GIs the LIDC adopted the following third resolution:

The LIDC recognises that proportionate mandatory labelling of origin serves certain public interest objectives. We recommend that such labelling should be clearly identified and efforts should be made to avoid conflicts between voluntary indication of origin labels (including GIs) and mandatory labelling of origin.

7.4 Conclusion 4

National Reports confirm that *sui generis* systems or certification mark systems which provide specifications that regulate the use of geographical indications can be powerful tools against the abuse of the concerned indications.

However, there is also a risk that the specifications which describe the requirements for the use of the protected geographical indications have been drafted to exclude competitors that had used the concerned indications in a lawful manner for many years prior to the registration.

Only a few jurisdictions have implemented specific measures to prevent the abusive registration of geographical indications (there are some guidelines for certification marks which make unjustifiable exclusions a basis for revocation, there are also some examples from Italy where antitrust authorities investigated cartel-like behaviour by certain *Consortios*; Switzerland specifies that applications for the registration of geographical indication can only be filed by representative groups

which represent more than 60% of the legal manufacturers who are responsible for the productions of at least 50% of the concerned product).

In light of the above, the following conclusion has been adopted during the LIDC's Geneva Congress in 2016:

It is necessary to ensure that the protection of GIs does not have unlawful anti-competitive effects which would result in undue trade barriers. With respect to GIs that are registered this may be achieved inter alia by paying more attention to the question of the manner in which the group of applicants is organized or ensuring that there is an objective basis for restricting use of those GIs (as opposed to a disguised restriction).

7.5 Conclusion 5

The use of geographical indications for services is not regulated on an international level and many jurisdictions do not have rules that govern the use of geographical indications for services. However, it seems to be relevant to define if and under what circumstances a company can offer worldwide "German engineering services" or "Swiss financial services". Therefore, the following resolution was adopted at the LIDC's Geneva congress:

In an increasingly service orientated world, rules for indications of geographical origin for services may play a more significant role. Therefore we recommend further reflection upon whether criteria ought to be established to validate the accuracy of such indications.

7.6 Conclusion 6

In each jurisdiction there are normally different possibilities for the enforcement of the protection of GIs.

At the same time, in most jurisdictions GIs are deemed to be collective intellectual property rights without a clearly individualized proprietor. This fact complicates the enforcement of the protection of GIs.

National Reports complain that, irrespective of the difficult question whether and under what circumstances geographical indications provide property rights, it is

often not clear who is entitled to take the necessary legal steps to enforce measures for the protection of geographical indications.

In light of those concerns the LIDC adopted the following sixth resolution:

Bearing in mind that GIs are considered to be intellectual property rights, we recommend that existing best practices and experiences with effective enforcement are more closely studied and more widely considered.

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