INTRODUCTION

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A study undertaken for the European Commission by Chever et al (2012 at 4) **1.01** and published in October 2012 estimated the worldwide sales value of products sold under geographical indications (GIs) registered in the EU was estimated at €54.3 billion in 2010 and had increased by 12 per cent between 2005 and 2010. Over that period wines accounted for 56 per cent of total sales (€30.4 billion), agricultural products and foodstuffs for 29 per cent (€15.8 billion), spirit drinks for 15 per cent (€8.1 billion) and aromatised wines for 0.1 per cent (€31.3 million). Domestic EU sales were the main markets for these products (60 per cent), intra-EU trade accounted for 20 per cent and extra-EU trade accounted for 19 per cent. Over the period, extra-EU trade increased by 29 per cent.

The leading Member State was France (€20.9 billion including 75 per cent for **1.02** wines, 15 per cent for agricultural products and foodstuffs and 10 per cent for spirits), the second was Italy with a balance between the GIs registered in the different schemes (€11.8 billion including 51 per cent for agricultural products and foodstuffs, 48 per cent for wines and 1 per cent for spirits). The next two Member States were Germany (€5.7 billion including 59 per cent for agricultural products and foodstuffs, 40 per cent for wines and 1 per cent for spirits) and the United Kingdom (€5.5 billion including 81 per cent for spirits and 19 per cent for agricultural products and foodstuffs).

This valuable trade is worth protecting and this book examines the detail of that **1.03** protection.

A. SCOPE OF THE BOOK

This book examines the European laws concerning the protection of GIs and **1.04** geographical trade marks and looks at the application of those laws in the UK. This introductory chapter reviews the history of GIs and grapples with definitional issues. Chapter 2 looks at the international context, in particular the

GIs provisions of the WTO Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS Agreement), which is increasingly influencing the jurisprudence of the European Court of Justice (ECJ) on this subject. Chapter 3 examines the European legislation concerned with the protection of GIs and designations of origin for agricultural products and foodstuffs. This is based on the legal framework provided by EU Regulation No 1151/2012 of the European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products and foodstuffs, which repealed and replaced Council Regulation (EC) No 509/2006 of 20 March 2006 on agricultural products and foodstuffs as traditional specialities guaranteed and 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.

- 1.05** Chapter 4 surveys the European legislation concerning wines, focusing upon Council Regulation 479/2008 of 29 April 2008 on the common organisation of the market in wine as updated by Commission Regulation (EC) No 607/2009 of 14 July 2009 and by Commission Regulation (EC) No 114/2009 of 6 February 2009. Chapter 5 deals with the protection of GIs and designations of origin for spirits in Europe and looks at the regime inaugurated by Regulation (EC) No 110/2008 of 15 January 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. This chapter also examines Commission Implementing Regulation (EU) No 716/2013 of 25 July 2013, which contains rules dealing in particular with the use of compound terms, allusions, sales denominations and GIs for the presentation of spirit drinks and the application and objections process for GIs.
- 1.06** Chapter 6 is taken up with the protection of GIs by European trade marks, collective marks and certification marks legislation. It looks at the proposed amendments to the Community Trade Mark Regulation to provide for the registration of certification marks. The common law remedy in passing off is examined in its application to geographical marks and the chapter concludes with an examination of the World Intellectual Property Organization's (WIPO) Uniform Domain Name Dispute Resolution Policy.
- 1.07** Chapter 7 looks at the enforcement of GIs in Europe. This entails a detailed consideration of the Civil Enforcement Directive (Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights) and Regulation (EU) No 608/2013 of the European Parliament and of the Council of 12 June 2013 concerning customs enforcement of intellectual property which replaced Council Regulation (EC) No 1383/2003 of 22 July 2003 concerning customs action against goods

suspected of infringing certain intellectual property rights and the measures to be taken against goods found to have infringed such rights.

Despite this significant recent European legislative activism on the subject of GIs, it is to be expected that further legislation is in prospect, particularly in relation to the protection of GIs for products outside the existing schemes. The EU is currently engaged in trade negotiations with countries which have laws which protect all GIs products. These countries, such as Brazil, India and Thailand, have a significant interest in the protection of their non-agricultural GIs products at the EU level beyond the community trade mark system. It is perceived that the lack of a legal framework to protect these products could hamper the ability of the EU to secure protection of EU agricultural and wine and spirits products in these countries. At the same time, the EU is a leading advocate of the extension of the additional protection in Article 23 of the TRIPS Agreement for wines and spirits to agricultural products and handicrafts. This extension debate is examined in Chapter 2. An indication of the EU's thoughts for the future is the publication by the European Commission in 2009 of a study on the protection of GIs for products other than wines, spirits, agricultural products or foodstuffs. The Study analysed 28 non-agricultural products enjoying protection in certain EU Member States and in non-EU countries. It compared the protection systems available to these products and analysed the strengths and weaknesses of the protection systems identified. On 22 March 2013 the Commission published an updated version of this study, which was expected to 'feed into the Commission's on-going analysis of whether action at EU level is required in this area' (Insight, 2013). **1.08**

B. HISTORY

The association between the unique qualities of goods and the geographical place of their production explains the genesis of GIs as a vehicle for trade. The international reputation of Toledo steel, Korean Celadon ware, Bruges lace and Burgundy wines secured the access of those products to markets well beyond their place of production. To take advantage of the commercial attractiveness of these local reputations, merchants branded their goods with marks which designated the place of origin of these products. These brands utilised depictions of local animals (panda beer), land marks (Mt Fuji sake), buildings (Pisa silk), heraldic signs (fleur de lys butter) or well-known local personalities (Napoleon brandy, Mozart chocolates). In a preliterate society these signs indicating the geographical origins of goods could be regarded as the earliest types of trade mark as these brands were tantamount to a warranty of the quality of goods. **1.09**

- 1.10** To protect the commercial reputation of these goods, local legislators passed laws to prevent the adulteration of local produce by the addition of inferior introduced goods or ingredients. These laws punished the adulteration of goods and established systems of marking approved local goods with marks certifying their quality (eg wool marks for cloth, hallmarks, for goods made from precious metals). Where the reputation of local goods was attributable to the skills and technology of local artisans, associations or guilds of master workers grew up. The taxing authorities saw an advantage in preserving the skills and revenue-earning capacities of these guilds and conferred upon them a monopoly of manufacture. To regulate this monopoly, the guilds developed service marks, or heraldic-type designs, which were placed upon goods produced by guild members.
- 1.11** Prior to the Industrial Revolution in Britain, which commenced in the eighteenth century, industrial production was on a small scale. The corporate form of industrial organisation did not yet exist. Until this time, the principal products that entered international trade were primary products, such as minerals and agricultural produce, and simple manufactured goods, such as pottery and woven fabrics. In the competition to earn revenues from the international trade that was developing at that time, it became apparent that the products of particular regions were more saleable than comparable products from other regions, because of their superior quality. This superior quality resulted either from natural geographic advantages, such as climate and geology (eg Seville oranges, Kentish hops, Roquefort cheese); recipes and food processing techniques local to a region (eg Kyoto bean cakes, Malmesbury mead, Frankfurter sausages) or indigenous manufacturing skills (eg Delft ceramic ware, Bohemian crystal ware).
- 1.12** The historical origins of GIs laws are usually traced back to the mediaeval French laws which conferred a number of advantages upon Bordeaux wine producers (see van Caenegem, 2003). Principal among these were the *privilège de la descente* and the *privilège de la barrique*. The former excluded non-Bordeaux wines from the Bordeaux wine market until 11 November of each year. The effect of this was to give Bordeaux wines an advantage in dealings with the lucrative English and Dutch markets as end-of-year dealings were vulnerable to the icing-up of northern ports. Non-Bordeaux wines were marked as such and sequestered in designated wine cellars in the city. This had the effect of developing administrative arrangements for identifying the geographic origins of wines.
- 1.13** The *privilège de la barrique* reinforced the commercial advantage of Bordeaux wines as the only wines entitled to a barrel made of superior wood and of

specified dimensions, which gave them an advantage for transportation in the merchant vessels of the time. In 1764 the *Arret de la Cour du Parlement concernant la police des vins* obliged each wine grower to identify, by way of a red brand on the bottom of each barrique, his name and that of the parish from which the wine originated to prevent the illicit use of the Bordeaux barrique.

As with contemporary GIs, this distinctive marking actually provided an opportunity for unscrupulous traders to pass off inferior wines as having a Bordeaux provenance, and within Bordeaux wine from the lower quality parishes was mixed with or passed off as wine from parishes of higher repute. **1.14**

The privileges which Bordeaux enjoyed were swept away by the legislation of the National Constituent Assembly, which abolished feudalism and revoked the privileges of towns, provinces, companies and cities throughout France.¹ In seeking to preserve its privileges Bordeaux argued that as the land of the province was unsuitable for any other crops viticulture merited encouragement and protection. This foreshadowed the modern debate around *sui generis* GIs systems where they are justified for the purposes of rural development and the maintenance of rural populations. **1.15**

A number of commentators have pointed out that the French appellations system has a much more modern origin than suggested by the mediaeval *privileges* and point to the opening of the railway between Bordeaux and Paris in the mid-nineteenth century as a significant development (Olszak, 2001 at 6; Hughes, 2006 at 306–7). Others point to the development of concern for consumers arising from wine adulteration, fraud and falsification (Stanziani, 2004). Stanziani points out that the establishment of the French AOC system to protect wines was the outcome of a long process in which the trade mark system was utilised with limited success in a series of nineteenth century cases concerning deceptive designations (see Stanziani, 2009). This necessitated remedial legislation. The Law of 6 May 1919 concerning *appellations d'origine* was enacted as part of a package of legislation concerning the elimination of fraudulent and misleading designations for wines and foodstuffs. This law sought to provide a methodology for designating wine regions. This was reinforced by the establishment in 1935 of AOCs, under the supervision of a Committee which, from 1947, became the INAO (Institut National des Appellations d'Origine). **1.16**

Hughes points out that of the more than 35 protected appellations for cheese in France, only 11 are more than 30 years old and that even Chianti did not **1.17**

¹ Decree of 4 August 1789, discussed in Jennings, 2011 at 29.

become a protected *denominazione* in Italy until 1967 (Hughes, 2006 at 350). He suggests that the European enthusiasm for protecting GIs is more a reflection of contemporary agricultural policy than a desire to preserve historic institutions.

- 1.18** The development of large-scale industrial production, which was a feature of the Industrial Revolution, led to demands for the legal protection of the brands of individual producers as indications of the source of their goods. Large-scale production made it possible for manufacturers to produce goods of a consistent quality and their brands became a warranty of the quality of their goods. Unlike GIs which referred to the geographical place of production, manufacturers demanded a system for the protection of their reputation either as producers of goods, or later on, as standing behind the quality of the goods produced in their name. The passing off action was developed by the English courts as a means for manufacturers to protect the indicia of their commercial reputations from misappropriation by those seeking to have a free ride on those reputations. These indicia included names, marks and symbols. To secure protection under the tort of passing off, plaintiffs had first to establish the existence of a commercial reputation in the jurisdiction. A protectable commercial reputation was typically established on the basis of the evidence of others in the trade and of consumers. This tended to take up a considerable amount of court time and as a consequence the registered trade marks system was developed under which possession of a valid trade mark registration certificate replaced the necessity to prove a commercial reputation. Under the registered trade marks system individual traders could enforce the exclusive right to their marks as a private proprietary right.
- 1.19** The evolution of the private trade mark system did not result in the disappearance of geographical marks. Particularly in Europe, substantial processed foods markets and markets for alcoholic beverages remained dependent upon the continued recognition of geographical marks. Indeed, for European negotiators, the inclusion of these marks in the TRIPS Agreement was a significant achievement of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT).

C. DEFINITIONS

- 1.20** A number of commentators on the law of GIs note a considerable diversity in the terminology concerning GIs. Norma Dawson (2000 at 591–2) among others (eg Conrad, 1996 at 13–14) suggests that this terminological diversity might result from the various international agreements that have attempted to

deal with GIs. The Paris Convention 1883 in Art 10 provided for the seizure of imports of goods bearing ‘false indications of the source of goods’. This expression was repeated in the Madrid Agreement for the Repression of False or Deceptive Indications of Source of Goods 1891. The International Convention on the Use of Appellations of Origin and Denominations of Cheeses (‘Stresa Convention’) 1951 borrowed the term *appellations d’origine* from the French AOC legislation. This in turn was repeated in the Lisbon Agreement for the Protection of Appellations of Origin and their Registration, 1958. Article 2 of the Lisbon Agreement defined ‘appellation of origin’ to mean:

the geographical name of a country, region, or locality, which serves to designate a product originating therein, the quality and characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors.

Article 22 of the TRIPS Agreement defines geographical indications as: **1.21**

indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin.

This definition expands the Lisbon Agreement concept of appellation of origin to protect goods which merely derive a reputation from their place of origin without possessing a given quality or other characteristics which are due to that place. Also, under the TRIPS Agreement, to be protected, a GI has to be an indication, but not necessarily the name of a geographical place on earth. **1.22**

The WTO Secretariat in a survey of national laws identified 23 different terms and as a consequence adopted the term ‘indications of geographical origin’ to designate the different expressions used by WTO Members to protect geographical origin of products.² **1.23**

Dev Gangjee suggests that the terminological diversity in this area may be attributable to the various policies to be served by GIs, such as agricultural marketing, rural development, the preservation of traditional knowledge and cultural heritage (Gangjee, 2012 at 2–18). **1.24**

It should be noted that as early as the Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods 1891, most laws embrace **1.25**

2 Note by the WTO Secretariat IP/C/W/253, dated April 2001, in ‘Review under Article 24.2 of the application of the provisions of the section of the TRIPS Agreement on geographical indications. Summary of the responses to the checklist of questions (IP/C/13 and Add.1)’. For a more recent global survey of GIs legislation see O’Connor et al, 2007.

indirect GIs. The Madrid Agreement in Art 1(1) provides for the seizure on importation of '[a]ll goods bearing a false or deceptive indication by which one of the countries to which this Agreement applies, or a place situated therein, is directly or indirectly indicated as being the country or place of origin'. An example of such an indirect indication mentioned during the 1934 London Revision Conference was the wax from the carnauba fan palm tree which, although not an actual place name, was 'indissolubly linked' to its origins in the north-eastern savannahs of Brazil (see Gangjee, 2012 at 66). A more modern illustration is 'Basmati' as indicative of the Indian sub-continent (see Blakeney and Lightbourne, 2005).

1.26 Advocate General Colomer, in *Budějovický Budvar, národní podnik v Rudolf Ammersin GmbH*³ had to consider whether the trade mark 'BUD' was an indirect indication of the Bohemian town České Budějovice (formerly Budweis). He explained:

68. Geographical indications and even designations of origin do not always consist of geographical names. They are called 'direct' when they do and 'indirect' when they do not, provided the indication or designation at least informs consumers that the foodstuff to which it relates comes from a specific place, region or country.

...

71. Regardless of whether the Czech public can guess where 'Bud beer' comes from, it must be ascertained whether the expression 'Bud' is sufficiently clear to evoke a product, beer, and its origin, the town of České Budějovice.

72. In the same way that the words 'cava' or 'grappa' call to mind the Spanish and Italian birthplaces of a sparkling wine and of a liqueur respectively and that 'feta' identifies a Greek cheese were it to be found that 'Bud' represents a geographical indication, Czech consumers would have to associate the expression with a precise place and with the brewing of beer.

1.27 Another example of an indirect GI in European litigation is the *Bocksbeutel* bottle, which has a characteristic bulbous shape and is used for the marketing of wine in Franconia, Baden-Franconia parts of Central Baden.⁴

³ [2003] ECR I-13617.

⁴ *Criminal proceedings against Karl Prantl*, Case 16/83 [1984] ECR 01299.