

## IV. Geographical Indications

Shifting the focus to the relation of collective Community marks to GIs, the present analysis expands both to their function as well as to the rationale underlying them and the policy considerations that insist on a separate regulatory system.

### *A. Nature and Function*

GIs do not flag business source, but geographical origin with a double meaning: a product bearing a GI-protected label is the one coming from a specific territory and manufactured in accordance with local practices that give to the product a special character. The message conveyed by a GI concerns, therefore, the triptych “product-geographical origin-quality”.<sup>59</sup> This connection to location carries along a certain message about the uniqueness of the product, precisely because of the particular elements of the territory itself or the human factors that have been formed in that territory and at times due to a combination of both those aspects.<sup>60</sup>

GIs are closely connected to history and customs, as they are the outcome of traditions and/or lifestyle existing in a place thus being considered as part of the cultural heritage of the respective locality or even as a symbol of that place in some cases.<sup>61</sup> In that sense, they can be classified as “territorial brands”, because the products they mark are neither made as a response to the needs of the market nor on the initiative of one business operator; they rather correspond to products already found in a certain place, having been

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59 Dwijen Rangnekar, *The Socio-Economics of GIs – A Review of Empirical Evidence from Europe*, UNCTAD-ICTSD Project on IPRs and Sustainable Development, Issue Paper No. 8 (May 2004) at. 24.

60 DANIELE GIOVANNUCCI ET AL., *Guide to GIs – Linking Products and their Origins*, 5-6 (ITC Publications 2009).

61 Hélène Ilbert & Michel Petit, *Are GIs a Valid Property Right? Global Trends and Challenges*, 27(5) DEVELOP POL REV 504 (September 2009).

developed there throughout the years, thus being connected to that place in a natural way.<sup>62</sup>

All the above considered, the obvious question arises why GIs are considered as intellectual property in the first place, which furthermore is an issue for this paper in so far as it examines them as worthy “opponents” of collective trade marks of geographical character. The reasons are mainly historical and are related to the similarity of GIs to trade marks. GIs are signs too, which convey a set of information about the product, but protect the label and not the product itself, whereas the rights they confer are similar to those granted by property. GIs are included, as distinct categories, in the major international legal instruments for the protection of intellectual and industrial property: in Article 1 (2) of the Paris Convention for the Protection of Industrial Property and in Section 3 of the TRIPS Agreement. Their character as types of industrial property rights has also been recognised on a European Union level by the CJEU.<sup>63</sup>

### B. The European Union *sui generis* regime

In the European Union, GIs are protected in a harmonised way through Regulation 1151/2012,<sup>64</sup> which applies to agricultural products and foodstuffs only and which establishes full harmonisation in this field. As a result, the European Union has exclusive competence for the registration of these goods, thus ruling out the possibility of parallel, coexisting, national reg-

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62 Steve Charters & Nathalie Spielmann, *Characteristics of strong territorial brands: The case of champagne*, JOURNAL OF BUSINESS RESEARCH 1-2 (2013) [forthcoming].

63 Case C-108/01, Consorzio del Prosciutto di Parma and Salumificio S. Rita SpA v Asda Stores Ltd and Hygrade Foods Ltd (2003) para. 64.

64 Regulation (EU) 1151/2012 of 21 November 2012 on quality schemes for agricultural products and foodstuffs [2012] OJ L 343/1 (hereinafter the Regulation). After the recent reform, with the view to simplify the regime of protection of agricultural products and concentrate the relevant provisions in one legal document, this new Regulation repeals and replaces Regulation (EC) 510/2006 of 20 March 2006 on the protection of GIs and designations of origin for agricultural products and foodstuffs [2006] OJ L 93/12 and Regulation (EC) 509/2006 of 20 March 2006 on agricultural products and foodstuffs as traditional specialities guaranteed [2006] OJ L 93/1.

istries in the Member States.<sup>65</sup> The established European regime for the regulation of GIs is of a *sui generis* nature, meaning that these signs are registered and protected through a system distinct from the one dedicated to trade marks. Due to the European scope of this paper, the general term “products” is used herein in relation to GIs as referring to agricultural products and foodstuffs, although, on an international level, GI protection is not restricted to solely such kinds of products, but it can encompass any type of good.<sup>66</sup>

No harmonised legislation covers GIs for industrial products or services,<sup>67</sup> although there has lately been a proposal for covering non-agricultural products as well.<sup>68</sup> Despite the positive arguments to that end,<sup>69</sup> the procedure has been put on hold. Nevertheless, even in the case of agricultural products and foodstuffs, not every such good is eligible for protection of its name. Mineral and spring waters are excluded,<sup>70</sup> while wines, aromatised

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65 DG Agriculture and Rural Development Working Document, *GIs*, Background Paper to the Green Paper on Agricultural Product Quality, October 2008, at 4, available at [http://ec.europa.eu/agriculture/quality/policy/workingdocs/gi\\_en.pdf](http://ec.europa.eu/agriculture/quality/policy/workingdocs/gi_en.pdf) (last accessed Jun 19, 2014).

66 Article 10 PC; Article 1.1 Madrid Agreement; Article 2 Lisbon Agreement; Article 22 TRIPS do not specify particular types of goods, but rather use the term in a general manner.

67 GIs cannot be registered for services at an international level either. The Swiss proposal during the negotiations for drafting Article 22.1 TRIPS was finally not adopted. See DWIJEN RANGNEKAR, SLICE OF PARMA HAM: UNDERSTANDING THE PROTECTION OF GIs IN PETER K. YU (ED.), INTELLECTUAL PROPERTY AND INFORMATION WEALTH: ISSUES AND PRACTICES IN THE DIGITAL AGE, 285 (Greenwood Publishing Group 2007).

68 The contributions at the public hearing on April 22, 2013 can be found at [http://ec.europa.eu/internal\\_market/indprop/geo-indications/index\\_en.htm](http://ec.europa.eu/internal_market/indprop/geo-indications/index_en.htm) (last accessed Jun 19, 2014).

69 The analysis and results of the comprehensive study are available at [http://ec.europa.eu/internal\\_market/indprop/docs/geo-indications/130322\\_geo-indications-non-agri-study\\_en.pdf](http://ec.europa.eu/internal_market/indprop/docs/geo-indications/130322_geo-indications-non-agri-study_en.pdf) (last accessed Jun 19, 2014).

70 For the reasons why this is so, see Bernard O’Connor, *supra* n.41, at 129.

wines and spirits are regulated through different rules,<sup>71</sup> except wine vinegars that fall under Regulation 1151/2012. Products for which registration can actually be sought are laid down in Annex I to the Regulation, referring to categories of agricultural products intended for human consumption, some types not intended for human consumption and certain foodstuffs. These do not include prepared condiment sauces, soups and broths, ice-cream and sorbets, which could be registered as Traditional Specialties Guaranteed in the predecessor of the Regulation, but do not appear in the Annex of the new Regulation. Chocolate and other cocoa based foods are, after the 2012 reform, added to the Annex, as well as leather, fur and feathers.

By virtue of Article 5 of the Regulation, registration is available only for names, so no other type of sign can be accepted.<sup>72</sup> These names can be tra-

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71 For wines, see Regulation (EC) 1234/2007 of 22 October 2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation) [2007] OJ L 299/1 (as lastly amended by Regulation (EC) 491/2009 of 25 May 2009) as well as Regulation (EC) 479/2008 of 29 April 2008 on the common organisation of the market in wine, amending Regulations (EC) No 1493/1999, (EC) No 1782/2003, (EC) No 1290/2005, (EC) No 3/2008 and repealing Regulations (EEC) No 2392/86 and (EC) No 1493/1999 [2008] OJ L 148/1. For aromatised wines, see Regulation (EEC) 1601/91 of 10 June 1991 laying down general rules on the definition, description and presentation of aromatized wines, aromatized wine-based drinks and aromatized wine-product cocktails [1991] OJ L 149. For spirits, see Regulation (EC) 110/2008 of 15 January 2008 on the definition, description, presentation, labelling and the protection of spirit drinks and repealing Regulation (EEC) No 1576/89 [2008] OJ L 39/16.

72 Contrary to that, TRIPS is more generous. The term “indications”, in Article 22.1 thereof, is accepted to be wide enough as to include words, figurative signs and even shapes, as explained in DEV GANGJEE, PROTECTING GIs AS COLLECTIVE TRADE MARKS – THE PROSPECTS AND PITFALLS, 4 (IIP 2006).

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ditional geographical (e.g. Porto) or non-geographical (e.g. feta) ones<sup>73</sup> and of course cannot be fictional, for the point is that the name corresponds to an existing place tied to a product.<sup>74</sup>

#### C. Levels of protection

There are two levels of protection and three categories of sign available<sup>75</sup> depending on the link between the product and the place: a PDO, which stands for Protected Designation of Origin, a PGI, i.e. a Protected Geographical Indication, and a TSG, that is Traditional Specialty Guaranteed.

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73 This phrasing belonged to Article 2.2 of Regulation 510/2006. For reasons of completeness, it is mentioned that there have been voices arguing that traditional non-geographical names can be registered only as PDOs, but not as PGIs, which can solely be granted to geographical names. See by way of example Irina Kireeva, *How to register GIs in the European Community*, 33(1) WORLD PATENT INFORMATION 73 (2011); Gail E. Evans & Michael Blakeney, *The Protection of GIs after Doha: Quo Vadis?*, 9(3) JIEL 584 (2006); Working Document of the Commission Services, *Protection of GIs, Designations of Origin and Certificates of Specific Character for Agricultural Products and Foodstuffs*, Guide to Community Regulations (2<sup>nd</sup> ed. August 2004) at 11, available at [http://ec.europa.eu/agriculture/publi/gi/broch\\_en.pdf](http://ec.europa.eu/agriculture/publi/gi/broch_en.pdf) (last accessed Jun 19, 2014). Since no reason is furnished why this separation makes sense and because the wording of the old Article did not really support this statement, justifying it seems rather difficult. See to the contrary, Gail E. Evans, *The Comparative Advantages of GIs and Community Trade Marks for the Marketing of Agricultural Production in the European Union*, 41 IIC fn. 32 (2010), where no differentiation is made between PDOs and PGIs as regards traditional non-geographical names. Anyhow, the importance of this phrase might be low, since it has not been included in the text of the new Regulation.

74 WORF-FRIEDRICH MICHEL, *DER SCHUTZ GEOGRAPHISCHER HERKUNFTSANGABEN DURCH DAS MARKENRECHT UND CERTIFICATION MARKS*, 32 and 36 (Berlin Verlag Arno SpitzGmbH 1995).

75 For the historical background that led to this “compromise”-provision with signs accommodating both *terroir* based goods and reputation based ones, see Dev Gangjee, *Melton Mowbray and the GI pie in the sky: Exploring Cartographies of Protection*, 3 IPQ 301-306 (2006).

## 1. The PDO/PGI level

The criteria for a PDO,<sup>76</sup> which apply cumulatively, are the following:

- name of a region, a specific place or, in exceptional cases, a country;
- that name is used to distinguish an agricultural product or a foodstuff;
- the product originates in that region, specific place or country;
- the quality or characteristics of the product are essentially or exclusively due to a particular geographical environment with its inherent natural and human factors, and
- the production, processing and preparation of the product, i.e. all “production steps” according to Article 3.7, take place in the specified geographical area.

The conditions for a PGI<sup>77</sup> can also be displayed like this:

- name of a region, a specific place or, in exceptional cases, a country;
- that name is used to distinguish an agricultural product or a foodstuff;
- the product originates in that region, specific place or country;
- the product possesses a specific quality, reputation or some other characteristic essentially attributable to that place of origin, and
- the production and/or processing and/or preparation of the product, so at least one of the production steps, take place in the specified geographical area.

The main difference between the two above mentioned categories is the level of connection of a product to a place. The PDO requirements are much stricter, whereas the prerequisite for a PGI is quite loose. For the PGI, the affinity to a place is somewhat subjective, since it suffices that the product has some relation to the region’s reputation, hence the term “attributable” in contrast to “essentially or exclusively” used for the PDO.<sup>78</sup> The rationale behind this choice has exactly to do with increasing the possibility for more products to be eligible for protection, even though the territorial link in their case is relatively weak, and from a practical point of view very few products will not meet any of the prerequisites.<sup>79</sup>

<sup>76</sup> Article 5.1 of the Regulation.

<sup>77</sup> Article 5.2 of the Regulation.

<sup>78</sup> Irina Kireeva, *supra* n. 73, at 73.

<sup>79</sup> GAIL E. EVANS, A COMPARATIVE ANALYSIS OF THE PROTECTION OF GIs IN THE EUROPEAN UNION AND THE UNITED STATES UNDER SUI GENERIS AND TRADEMARK SYSTEMS in TOSHIKO TAKENAKA (Ed.), INTELLECTUAL PROPERTY IN COMMON LAW AND CIVIL LAW, 255-256 (Edward Elgar Publishing 2013).

Another issue is the territory where the production, processing and preparation take place. Following the same logic as before, for a PDO all three procedures have to cumulatively happen in the locality claimed as the origin of the end product, whereas for a PGI only one of them happening in that locality is sufficient to make the end product eligible for protection. The most commonly mentioned example is raw materials that are accepted to originate from a place different than the one defined in the specification, especially after the CJEU's ruling on the case of *Spreewälder Gurken* stating it explicitly.<sup>80</sup> However, Article 5.3 *in fine* of the Regulation restricts "raw materials" to "*live animals, meat and milk*" only.

Due to the fact that a PDO extends over the whole spectrum of making, from the supply of raw materials till delivering the end product, a product fulfilling those requirements should be applied for as a PDO rather than a PGI, because the protection that will be achieved is far more complete than it would be under the PGI. This does not mean that PDOs enjoy greater protection than PGIs, it just means that, from a practical point of view, operators will be able to enforce their exclusive rights for a wider array of practices and against infringing conduct covering any of the stages of making. This became evident in the case of *Prosciutto di Parma*, where it was decided that the producers could control even the slicing of the ham that was taking place outside the defined area and contrary to the specification.<sup>81</sup>

## 2. The TSG level

The TSG sign identifies traditional production techniques and recipes and the rationale behind its introduction is to facilitate marketing and advertising of the respective goods. Famous TSG are for example the Spanish *Jamón Serrano* and the Italian *Mozzarella*.

The requirements for registration as a TSG<sup>82</sup> are:

- a name identifying a product or foodstuff;
- the said name has been traditionally used to distinguish this product or it stresses the traditional or special qualities of this product;

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<sup>80</sup> Case C-269/99 *Carl Kühne GmbH & Co. KG and Others v Jütro Konservenfabrik GmbH & Co. KG* (2001) para. 61.

<sup>81</sup> *Prosciutto di Parma*, *supra* n. 63.

<sup>82</sup> Article 18 of the Regulation.

- this product or foodstuff is the outcome of production methods having been traditionally developed for this good to be made, and
- the composition of the good is based on the traditional ingredients used for the production thereof.

A TSG is different from a PDO or a PGI as far as the link to a geographical area is concerned. A TSG mainly focuses on the ingredients and the method of production, but does not call for a specific link to a geographical place. TSG are so far underutilised, fact which is underscored also in recital 34 of the Regulation with the hope that the amendments therein will reveal their true potential.

#### *A. Persons entitled to apply for a GI*

Potential applicants can be groups of producers, but in exceptional circumstances even individuals can be considered as a group. According to Article 49.1 of the Regulation, a single person, be they natural or legal, can apply for a GI if (i) no other producer in a specified area wishes to apply and (ii) this specified area is characterised by elements which are considerably different as compared to those of neighbouring areas or the product's characteristics differ as opposed to those of products from neighbouring areas. This is a major difference between GIs and Community collective marks, because the latter can in no case be owned by individuals. Further, GIs can be applied for by producers, which is not possible in the case of certifications marks, at least if the general notion is taken into consideration. Additionally, the applicant of a GI need not have legal personality, so a group of producers may apply irrespective of their legal status.<sup>83</sup> This aspect is critical especially where producers do not have the means to afford setting up an entity with legal personality because of lack of financial resources, bureaucracy and other administrative obstacles or even lack of time.

#### *B. Registration procedure*

The application for a GI has to go through a two-tier procedure, same for PDOs, PGIs and TSG, first at a national level and later at a Union level.

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83 Article 3.2 of the Regulation.

## 1. The national level

At the national level, a group of producers operating in the same region and specialising in the production of the same good can redact an application and submit it to the responsible national authority of the country the region belongs to. The application should include, apart from the identification details of the group applying, the status of the GI chosen, so whether it is for a PDO or a PGI as well as extensive information about the product, whose name protection is sought for. This set of information constitutes what is known as “product specification”, which, according to Article 7 of the Regulation, should state the following: the name of the good and the description of its characteristics, the definition of the concerned locality, proof that the good indeed originates therefrom, delineation of the production technique followed together with packaging details if necessary, the connection between the good and the geographical area as appropriate to the type opted for (specific qualities for the PDO or reputation for the PGI), designation of the authority responsible for quality controls and certifying observance of the specification and possible details on labelling.

For a TSG, the application is similar and should also be accompanied by the appropriate specification listing the name of the good, including its translated versions in which it is marketed, full description of the good and its composition that gives the unique character, the method of production and any important points advocating its traditional status. The rest of the process is the same as in the case for PDOs and PGIs.

The specification is of utmost significance, because it lays down the characteristics rendering the good unique, what is called the “typicity” of the good.<sup>84</sup> On the one hand, at the application stage, it informs people of the process initiated and gives the essential points potential oppositions against it can be based on. On the other hand, after registration has been achieved, it defines the criteria of use of the sign, so the way any interested party could start manufacturing the good so as to be able to profit from the sign, and it notifies producers from other areas or the ones not complying with the rules of what they have to avoid so as not to infringe the GI. In that sense it is also a tool for the producers to better police and enforce their rights against

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84 Dwijen Rangnekar, *supra* n.59 , at 25.

wrongdoers. Further, it functions as a type of check-list for the subsequent inspections guaranteeing adherence to the standards.<sup>85</sup>

The application, once received by the competent national authority, is closely examined in order to be determined whether the requirements are satisfied. The examination is coupled with the opening of the national objections procedure for a reasonable time frame, as judged by the national authority, giving the opportunity to persons with legitimate interests to block the registration. Once this phase is completed and the application is deemed sound and as soon as the objections have been dealt with, the national authority forwards the application to the European Commission for the second and final check.<sup>86</sup> It is in the producers' best interest that the national authority performs thorough scrutiny, because the procedure will carry on without delays.

## 2. The European Commission level

Upon receipt, the Commission investigates the application in terms of completeness and substantiation. This stage should take no more than six months, if the information sent by the Member State is sufficient. At the opposite instance, the Commission would have to call for additional evidence, which would reset the six-month deadline from the time this request has been satisfied.<sup>87</sup> Thereafter, another six-month period commences. The application is published in the Official Journal of the European Union and is open to the second round of objections for three months. In case an objection is founded, the Commission directs the issue to the respective Member States, giving them three months (extendable up to three months if need be) to reach a consensus solving the disagreement and, if they fail, it is up to the Commission to decide. In the absence of objections or after the matter is resolved, the name finds its place in the register and the registration is published in the Official Journal of the European Union.<sup>88</sup>

The above description of the registration procedure stresses the attention given to each application which corresponds to the weight attached to the registered names and the effort to include only the names really deserving

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85 Working Document of the Commission Services, *supra* n. 73, at 11.

86 Article 49.2-49.3 of the Regulation.

87 Working Document of the Commission Services, *supra* n. 73, at 16.

88 Articles 11, 50, 51 and 52 of the Regulation.

the elevated protection granted. It also illustrates how detailed and how time consuming the whole procedure can be, which might be a useful hint for prospective applicants to bear in mind when they consider their options for protection. This is all the more so, if one takes into account that a similar procedure along the above lines is followed each time the specification is amended,<sup>89</sup> so updating it is not an easy task.

### C. Scope of protection

GIIs do not simply reveal territorial origin, but more importantly a special connection to a place that results in a product of high quality due to that connection. Hence, GIIs, even though restricted to names and not any kind of sign, enjoy in the European Union an increased level of protection. Like in the trade mark regime, there cannot be registration as a GI of a generic name. Once having reached the register, however, a GI is not allowed to slip into genericism.<sup>90</sup> Consequently, a GI may indeed be cancelled if the specifications are no longer observed, but it is impossible to be erased due to perception or reference to it by the consuming public as the genus.<sup>91</sup>

Furthermore, according to Article 13 of the Regulation, a PDO or a PGI is protected irrespective of likelihood of confusion and not only where the goods are comparable, but also when the reputation of the name is taken advantage of.<sup>92</sup> In this second case, consequently, a GI can be protected even if the goods are dissimilar and even in cases where the GI is used to identify an ingredient. A GI is also to be defended against incorrect use, copying or evocation of the name, even if the true origin of a good is not being hidden, as well as against translated versions of the name and against “type- phrases” indicating the resemblance of a good to the GI, again even if the indication points to an ingredient and not the product itself. Protection is granted also for untrue or deceptive indications with regard to the GI’s origin or characteristics or any other potentially misleading practice. This broad scope of protection makes GIIs distinguishable from other types of marks, while they can be seen as a quasi-combination and elaboration of conventional trade

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89 Article 53 of the Regulation.

90 Article 13.2 of the Regulation.

91 Gail E. Evans, *A comparative analysis*, *supra* n. 79, at 268.

92 Miguel Angel Medina Gonzalez, *supra* n. 23, at 260.

marks with a reputation,<sup>93</sup> collective trade marks of geographical reference and certification marks.

A point similar to the scope of protection is the priority recognised for GIs as opposed to trade marks including the name, which are already in use. According to Article 15 of the Regulation, from the time of the publication of the specification in the Official Journal, trade mark owners have a five-year time frame to adapt their brands so as not to conflict with the GI, which in practice results in those owners actually being obliged to remarket their products.

For a TSG, on the other hand, the scope of protection is much narrower. TSG, by virtue of Article 24.1 of the Regulation, are shielded only against any misuse, copying or evocation, or against any conduct which is likely to mislead the consumer. In parallel, Member States undertake the obligation of streamlining the product descriptions existing on a national scale so that they do not clash with any registered TSG or they are mistaken as such.

#### D. GIs as common goods

GIs constitute a common good, rather than a private asset as is the case of trade marks.<sup>94</sup> This, in turn, is the reason why GIs – contrary to trade marks<sup>95</sup> – cannot be “delocalised”, i.e. they cannot be assigned, transferred or licensed outside the respective locality.<sup>96</sup> Because of this nature, State intervention and supervision is more present in the case of GIs.<sup>97</sup> Aside from the role States play in the registration procedure already mentioned, States have a duty, vested in them by Articles 36-40 of the Regulation, to have in place a mechanism for inspections both before the product enters the market as

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93 LASSE A SØNDERGAARD CHRISTENSEN AND JANNE BRITT HANSEN, A CONTRAST WITH TRADE MARK LAW: THE PERMITTED USE OF GIs in JEREMY PHILLIPS, *Trade Marks at the Limit*, 40 (Edward Elgar Publishing 2006).

94 William Van Caenegem, *Registered GIs: Intellectual Property, Agricultural Policy and International Trade*, 26(4) EIPR 176 (2004).

95 With respect to collective Community marks, in particular, it has to be noted, however, that the mark can only be transferred to an association again and not to an individual, because of its inherently collective character. See Alexander v. Mühlen-dahl, *supra* n. 15 , at 88.

96 Bernard O'Connor, *supra* n. 41 , at 113.

97 Dev Gangjee, *Quibbling Siblings: Conflicts between Trade marks and GIs*, 82 CHI-KENT L. REV. 1267-1268 (2007).

well as throughout its use in commerce. Such inspections are to be carried out in an unbiased way to make sure that the provisions laid down in the Regulation are respected and the product specifications are being observed, while States also assume tasks of a watchdog concerning the use of registered names, so that their protection is ensured. Where any of these tasks are performed by bodies other than the competent national authorities, these bodies have to be accredited by the State and should follow specific standards. In either case, information on the responsible bodies for official controls should be communicated to the public for reasons of transparency. This meticulous oversight reflects the degree of significance States lay on GIs as an instrument of collective growth. As recital 46 puts it, it is this monitoring scheme that awards credibility to the added value of GIs, and it is the one establishing consumer trust, so that purchasers are convinced to pay the premium.

The notion that GIs are different from trade marks in the intellectual property ontology is partly also based on European legal tradition, having evolved from the appellation of origin public law regime,<sup>98</sup> but it is still regarded as such in the European Union plane. This observation springs from the objectives of the harmonised European GI legislation, which in a nutshell targets diversification of production in the agricultural sector, preservation of local traditional methods, enhancement of rural development, promotion of value-added goods and elevation of consumer awareness as to the quality of the available products.<sup>99</sup> GIs are a type of intellectual property as well as a policy tool for agriculture, so – as van Caenegem notes – their status is mixed.<sup>100</sup> Their regulation and protection is therefore being discussed in several fora, which in turn highlight different policy arguments in favour of their protection. In the European Union, for instance, the protection of GIs is founded in Article 43 of the TFEU for the implementation of the Common Agricultural Policy, so their importance is stressed not only in the area of trade but also in the field of agriculture and rural development.

Specifically on the issue of GIs being common goods, it has been suggested that PGIs are public goods based on two reasons: on the one hand, only groups of people and not individuals have the right to apply for a PGI,

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98 DAVID VIVAS-EUGUI & CHRISTOPHE SPENNEMANN, THE EVOLVING REGIME FOR GIs IN WTO AND IN FREE TRADE AGREEMENTS in CARLOS M. CORREA & ABDULQAWI A. YUSUF (Eds), INTELLECTUAL PROPERTY AND INTERNATIONAL TRADE: THE TRIPS AGREEMENT, 209 (Kluwer Law International, 2nd ed. 2008).

99 Mateo Gragnani, *The Law of GIs in the EU*, 7(4) JIPLP 273 (2012).

100 William Van Caenegem, *Registered GIs*, *supra* n. 94, at 171.

and on the other, this initial group cannot prohibit other people conforming to the specification from using the protected term. This nature is enhanced if one considers that the groups apply for protection wishing to continue a tradition or anyway basing their claim on already existing knowledge and reputation of a specific good rather than coming up with a new product. Further, this is why the protection of the term, once granted, has no temporal boundaries and does not depend on renewals. As long as the producers continue working along the specification lines,<sup>101</sup> they do not need to maintain their registration, which is infinite.<sup>102</sup> A GI cannot be lost if production ceases and can revive once manufacturing commences again, without this gap making it vulnerable to others exploiting the term based on arguments of non use.<sup>103</sup>

Contrary to this social aspect that flows through GIs, collective trade marks can, but do not necessarily signal value derived from a pre-existing, known practice. They can be registered also for new products or services and their existence, although indefinite, depends on periodic renewals (every ten years). What is more, the procedure follows the general rules of trade mark law on absolute and relative grounds of refusal, without any scrutiny – as is the case for GIs – from the respective Member State and the European Commission as to the legitimacy and authenticity of the sign based on the contents of the application and possible objections. This means that the examination in the case of GIs is of a substantive character; the approval is given to those products that are really worth the title.

The social importance of GIs is reflected even in the duration of the whole procedure till the actual registration, which might take up to 3 years.<sup>104</sup> Moreover, the ownership of the sign in many cases is vested to the Member State or a parastatal organisation representing the producers of the specified region, unless it remains a public right.<sup>105</sup> These facts – together with the austere procedure, the involvement of the State and the strong protection afforded – shows that the GI system is aligned with the high value of the

101 Article 12 of the Regulation.

102 Gail E. Evans, *A comparative analysis*, *supra* n. 79, at 263.

103 Christophe Charlier & Mai-Anh Ngo, *GIs outside the European Regulation on PGIs, and the rule of free movement of goods: lessons from cases judged by the Court of Justice of the European Communities*, 34(1) EUR J LAW ECON 21-22 (2012).

104 Irina Kireeva, *supra* n. 73, at 76.

105 Dwijen Rangnekar, *supra* n. 59, at 16; Tim Josling, *The war on terroir: GIs as a Transatlantic Conflict*, 57(3) JOURNAL OF AGRICULTURAL ECONOMICS 348 (2006); Gail E. Evans, *A comparative analysis*, *supra* n. 79, at 260.

underlying product for maintaining local traditions, bolstering environmental sustainability and boosting progress in rural areas.

The State involvement is meant also in terms of advertising not only of the product but also of the country itself. This is so, because GIs are generally attributed to countries rather than the traders' group responsible for their production,<sup>106</sup> so they also function as ambassadors, thereby raising a country's positive image among the public.<sup>107</sup> In this sense, they are utilised by the States also for their promotion in tourist campaigns, as a piece of their culture and their people's modus vivendi.<sup>108</sup> This is more apparent in the case of small scale GIs, so called "micro GIs", restricted territorially and unknown but for their locality, whose economic impact for producers is debated, but which play a role as a tourist attraction by helping highlighting the local character.<sup>109</sup>

#### E. GIs as a distinct genre of intellectual property

From the above analysis it follows that GIs are very similar to trade marks. Both cases mirror kinds of signs that, on the one hand, help producers differentiate their products in the marketplace, while giving them incentives to invest in a sign and, on the other, assist consumers in making informed choices in a time- and cost efficient manner.<sup>110</sup> At the same time, both cat-

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106 Take the example of DOOR, the official website of the European Union listing the registrations and applications for PDOs, PGIs and TSG, available at <http://ec.europa.eu/agriculture/quality/door/list.html;jsessionid=pL0hLqqLXhNm-FQyFl1b24mY3t9dJQPflg3xbL2YphGT4k6zdWn34!-370789141> (last accessed on Jun 19, 2014). The products are categorised based on the country of origin and not the group of producers that initiated the registration procedure. The same holds true for the European electronic database for wines (E-Bacchus), available at <http://ec.europa.eu/agriculture/markets/wine/e-bacchus/index.cfm?event=searchPEc-cgis&language=EN> (last accessed Jun 19, 2014), and the respective database for spirits (E-SPiRiT-DRiNKS), available at <http://ec.europa.eu/agriculture/spirits/index.cfm?event=searchIndication> (last accessed Jun 19, 2014).

107 Warren Moran, *Rural Space as Intellectual Property*, 12(3) POLITICAL GEOGRAPHY 266 (1993).

108 Eleonora Lorenzini et al., *Territorial Brands for Tourism Development, A statistical analysis on the Marche Region* 38(2) ANNALS OF TOURISM RESEARCH, 543 (2011).

109 Tim Josling, *The War on Terroir*, *supra* n. 105 , at 360.

110 Nicholas S. Economides, *The Economics of Trademarks*, 78 TRADEMARK REP. 525-527 (1988). On GIs, see recitals 18 and 34 of the Regulation.

egories of signs provide some information about the characteristics of the product they represent (commercial source, some level of quality or geographical origin), while the reputation that GIs are meant to foster is sometimes seen as the equivalent of goodwill of trade marks.<sup>111</sup>

Further, the principle of specialty, meaning the attribution of the sign to specific categories of products thereby precluding the use of the sign in abstract, also applies to both of them,<sup>112</sup> whereas most analyses on the function and economic importance of GIs are inspired by or follow the trade mark scheme.<sup>113</sup> Especially collective and certification marks have been suggested as a suited means of protecting GIs, because the first is appropriate for collective management of rights, whereas the second serves the quality function.<sup>114</sup> Neither sign accepts generic terms in the register,<sup>115</sup> but both signs can have perpetual duration. Finally, both types offer a centralised and unified procedure for application and registration, since protection is granted for the entire European Union with a single application. If this is the case, the evident question then is why there are two types of marks having the same elements and ultimately why we need them kept separate, if at all. This last aspect basically seeks the explanation for the need of stronger protection of GIs in contrast to trade marks.

The reasons why GIs emerged are mostly historical and the justification of keeping them as a distinct category of signs is based on the objectives these marks are intended to achieve. GIs were developed out of the inability of the trade mark system in the early days to grant ownership rights to collectivities; proprietors of trade marks were individuals. What is more, trade marks could not be registered for geographical terms and finally protection was afforded with the logic of helping traders defend their goodwill and avoiding consumers being misled without covering any public policy concerns.<sup>116</sup>

A category of sign was needed that would allow many people to participate in the ownership structure and benefit from its use, problem which was overcome through the introduction of collective marks. The issue with ge-

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111 Dwijen Rangnekar, *supra* n. 59, at 2.

112 Gail E. Evans & Michael Blakeney, *supra* n.73 , at 584.

113 Wolf-Friedrich Michel, *supra* n. 74 , at 25-26.

114 Tim Josling, *What's in a Name? The economics, law and politics of GIs for food and beverages*, IIIS Discussion Paper No. 109 (January 2006) at 27.

115 Article 7.d CTMR in conjunction with Article 6.1 of the Regulation.

116 Dev Gangjee, PROTECTING GIs, *supra* n. 72 , at 8.

ographical terms being rejected as invalid in the register as descriptive was given solution via the introduction of exceptions, such as fair use provisions and acquired distinctiveness ones or, in countries of common law tradition, via the introduction of types of marks permitting geographical terms, most notably certification marks.<sup>117</sup> On the European Union level more specifically, both issues have found their solution in the category of collective Community marks, since this type, by virtue of Article 66 CTMR, is open to everyone who complies with the rules, and can be registered for geographical terms without proof of fair use or acquired distinctiveness. Is that then all it takes?

The third point of public policy considerations is a sensitive one and the one that actually distinguishes GIs from trade marks, partly because it shifts the conversation to a different forum, namely agriculture and rural development. In 1992 the European Union reformed its agricultural agenda with the view to reinvigorate the economy and progress of rural areas and so as to give more importance to food quality than food quantity.<sup>118</sup> This would become reality through indirect measures rather than financial help in the form of cash grants or low-interest loans and price control tools, which comprised the strategy up to that point. Interested parties would be given motivation to stay in rural regions and invest in products that contribute to the progress of that region, maintain cultural diversity and also achieve high prices on the market because of their high quality and/or reputation, thus giving to the owners a competitive advantage. These positive outcomes are the ones targeted with the Regulation, as recital 2 to 5 thereof clearly state. From a legal point of view, this goal would be achieved by granting stronger protection to geographical names than the one given to trade marks, creating consequently a system of legal monopoly of geographical terms.<sup>119</sup>

Beyond the policy considerations, the issue of quality should not be disregarded. The criteria for registration and the subsequent inspections reveal a system that can better guarantee the quality of the good and the methods

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117 See by way of example the UK provisions on both collective and certification marks in Schedule 1, para. 3, and Schedule 2, para. 3 Trade Marks Act 1994 and the US provision on certification marks in 15 USC § 1054.

118 Tilman Cornelius Becker & Alexander Staus, *European Food Quality Policy: the Importance of GIs, Organic Certification and Food Quality Insurance in European Countries*, 12<sup>th</sup> EAAE Congress “People, Food and Environments: Global Trends and European Strategies” (August 2008, Ghent) [number 44455] at 1.

119 *Ibid* at 4.

followed to produce it. Collective and certification marks may surmount some obstacles, but they are based on private initiative and do not statutorily impose adherence to a comprehensive set of standards.<sup>120</sup> There are, therefore, justifications for GIs being a separate type of sign, non-regulated on a trade mark mentality.

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120 Erick Camilo Castellanos, *Indications of Geographical Origin Vis-a-Vis Trade marks Analysis in the Light of 'Café De Colombia*, 18 Tilburg University Legal Studies Working Paper Series 24 (2010).