

# Geographical indications and designations of origin: extending coverage to the wine sector

**Guidelines governing the protection of geographical indications (GIs) and protected designations of origin (PDOs) are in a state of constant flux. For some industries – such as the wine sector – the picture is complicated further by additional requirements. The interplay between GI, PDO and trademark protection makes it critical to stay on top of the latest regulations**

The first guidelines on protected geographical indications (PGIs) and PDOs were laid down by the Paris Convention 1883, prohibiting any misleading use of these two IP rights. The Lisbon Agreement 1958 provided a mechanism for the international registration of designations of origin (DOs), whose characteristics were linked to their geographical environment, including natural and human factors. The agreement protected DOs against any imitation or usurpation unless the true origin of the product was indicated or the appellation was used in a translated form or accompanied by terms such as 'kind' or 'type'.

The Agreement on Trade-Related Aspects of Intellectual Property Rights 1994 (TRIPs) defined GIs under Articles 22, 23 and 24, focusing on their notoriety and geographical origin without mentioning appellations of origin (AOs); however, these are specifically regulated in Europe and are distinct from GIs.

The existing legal framework is based on the EU Protection of Geographical Indications Regulation (510/2006), which was brought in by the EU Labelling Directive (2000/13/EC) and the EU Deceptive Advertising Directive (2006/114/EC), as well as the EU Unfair Commercial Practices Directive (2005/29/EC), and in Italy the Consumer Code, in order to ensure protection against any false DO or misleading GI.

According to Regulation 510/2006, a DO or an AO may be attributed to an "agricultural product, or a foodstuff, the qualities of which are essentially, or exclusively due to a particular geographical environment, with its inherent natural and human factors, the production, processing and preparation of which take place in the defined geographical area". A GI "describes an agricultural product, or a foodstuff, which possesses specific qualities and reputation, attributable to its geographical origin".

A PDO requires that all relevant operations for realising the product be carried out in the same geographical area, thus influencing the qualities of a product due to the strong territorial link (eg, *Mozzarella di Bufala*). In contrast, a PGI is more flexible, requiring a link with the geographical area in one of stage of production only.

In line with the EU system of protecting DOs and GIs, PDOs and PGIs are listed as industrial property rights in Article 1 of the Industrial Property Code. Article 29 of the code grants protection to unregistered PDOs and PGIs whose qualities, reputation or characteristics are exclusively or essentially due to their geographical origin, including natural, human and traditional factors. In contrast, Article 30 prohibits any misleading use involving the invalid exploitation of the reputation of a PDO or a PGI and constituting parasitism or free riding (as set out in Article 13 of EU Regulation 510/2006).

In recent years the importance of PGIs and PDOs has grown, both at a European level and internationally, thanks to the resurrection of the Lisbon Agreement. The revised Lisbon Agreement envisages a special register, divided into two parts, where Part A relates to PGIs and Part B to protected AOs (PAOs) and PDOs. The register is intended to make it easier to detect the existence of registered PDOs and PGIs, which is fundamental when checking the availability of a designation to be registered as a trademark. The revision aims to strengthen the prohibition of any imitation or evocation of a PGI or a PDO that is detrimental to reputation. To achieve this, familiarity with the existing requirements for protection is crucial.

## Regulating the wine sector

Turning specifically to how these regulations extend to wines, PGIs and PDOs are mainly regulated at a European level based on French legislation. The principal law is the EU Single Common Market Organisation Regulation (1234/2007), which rationalised the common market organisation system. This has been amended by various regulations, including EU Regulation 479/2008, EU Regulation 491/2008, EU Regulation 607/2009 concerning PDOs and PGIs, wine labelling and the presentation of wine products, and most recently EU Regulation 579/2012, which concerns labelling information on allergens.

Wines produced within the European Union are classified in two categories: table wines and quality wines produced in specified regions.

The categories are translated into different national wine classifications for each member state. Thus, a member state may have more than two levels of classification, but all national levels correspond to either a table wine or a quality wine produced in a specified region, and are subject to the common minimum standards set out in the relevant EU regulations. For example, France uses four levels of classification:

- *vins de tables* and *vins de pays* (both EU table wines); and
- *vins limités, de qualité supérieure* and *appellation d'origine contrôlée* (both quality wines produced in specified regions).

In Italy, the Single Common Market Organisation Regulation was implemented by Decree Law 61/2010 and its Application Decree of December 16 2010 on PDO and PGI wine registrations. Now, EU wines are identified as PDOs (DOC/DOCG) and PGIs (IGT).

According to Decree Law 61/2010:

- 'IGT' is attributed to wines originating from the respective grape area on condition that the request represents at least 20% of the interested grape cultivators;
- 'DOC' is attributed to wines originating from areas already known and acknowledged for at least five years; and
- 'DOCG' is attributed to wines already acknowledged as DOC for 10 years.

Regulation 479/2008 defines DOs for wines as follows: "the product obtained exclusively from the total, or partial fermentation of fresh grapes, whether or not crashed, or of grape must; wine can only be made from certain grape varieties and only these wine varieties may be planted for commercial purposes." The list drawn up by member states contemplates only purebred *vitis vinifera* or crosses between *vitis vinifera* and *vitis genus*.

A wine PDO is attributed when the qualities and characteristics of wines essentially or exclusively depend on the geographical environment, including human and natural factors, the grapes from which the wine is produced come exclusively from that geographical area and the wine is produced there (Article 34 of Regulation 479/2008); moreover, the wine must be made from grape varieties belonging to *vitis vinifera*.

For PGI wines, the grapes must possess qualities, notoriety or reputation and other characteristics typical of their geographical origin, at least 85% of the grapes must come exclusively from the geographical area and the production must take place there.

### Applying a label

In addition to the above requirements, all food products marketed in the European Union must comply with food health and safety requirements, with the Labelling Directive setting down labelling requirements, requiring general labelling for all products and establishing specific regulations according to the type of product.

For foodstuffs, according to the directive and Regulation 510/2006, the term 'PDO' or 'PGI', or the associated EU symbol, must be included on the labels of products originating in the European Union. The use of corresponding EU symbols on foodstuff and agricultural product labels provides consumers with clear and concise information as to origin.

For wines, the label must include PDO, PGI or the associated EU symbol, and/or the equivalent traditional indications (eg, in Italy, DOC or DOCG instead of PDO and IGT instead of PGI).

Regulation 607/2009 was implemented in Italy by the Decree Law of December 23 2009, which specifies the information that must be displayed on labels, including allergenic ingredients (eg, sulphates present in alcoholic beverages).

The new labelling rules apply to wine products classified as PDOs and PGIs and to wines without DOs – in regard to the latter, labels should distinguish between simple wines and wines with an indication of vintage.

Pursuant to Regulation 607/2009 and the Decree Law of December 23 2009, as of January 1 2011 there are compulsory and optional labelling requirements for the information present on wine labels – both those bearing a DO and those without such designation.

### Getting compulsory

For PDO and PGI wine, then, the following compulsory information

must be included on the label:

- the PDO or PGI, or the DOC, DOCG or IGT;
- the volume of alcohol;
- the origin;
- details of the bottle;
- the year of the grape; and
- the production batch and quantity indications.

Compulsory indications must appear on the label in the same area so that they can be read at the same time, with the exception of the lot number and the allergens information, which can appear elsewhere.

In terms of optional information for PDO and PGI wines, the following are permitted:

- the brand name;
- trademarks (not to be used if they conflict with the PDO or PGI);
- traditional terms;
- the colour and wine variety;
- the vintage; and
- other details, provided that they do not mislead the public.

EU Implementing Regulation 579/2012 also sets down the requirements for potentially allergenic ingredients in beverages containing more than 1.2% alcohol and egg or milk-based products used in winemaking if they are present in the final product in a quantity of 0.25 milligrams a litre or more. The regulation also stipulates the use of special symbols or pictograms. Under these requirements, all wines from harvests in 2012 or later that are labelled and intended for sale in an EU country after June 30 2012 must comply with these rules. The labelling standards require the statement 'contains' followed by the detected allergen (eg, 'contains sulphites').

### The GI-PDO-trademark triangle

DOs and GIs enjoy protection against any misuse, imitation or evocation or any misleading indication as to the provenance, origin, nature or essential qualities of a product, on its inner or outer packaging, advertising material or documents relating to the products and further against any commercial use of a registered name in respect of products not covered by the registration.

The protection granted to a DO is stronger than that granted to a trademark, since a trademark can be declared invalid if it has become generic due to its dilution in commerce.

However, a GI may become descriptive of a product's qualities when, although linked to the place of origin, it denotes the common name of a product in the European Union (eg, in Italy, *Bistecca Fiorentina*). Moreover, semi-generic GIs are contemplated, designating a certain kind of product, although such a product needs a second specifying indication, such as *Chianti Toscano*.

According to Regulation 510/2006, PDOs and PGIs can coexist with a trademark. However, under Article 14 of the regulation, if a DO or GI has been registered correctly, an application for the later registration of a geographical trademark for the same product must be rejected.

In contrast, the use of a trademark in good faith in the country of origin before the date on which DO or GI protection was granted can continue independent of the registration of a DO or GI. In addition, use of a pre-registered trademark bearing such DO or GI for the same products can continue.

A good example of the coexistence between a registered trademark and a PGI, in relation to the temporal application of Article 14 of Regulation 510/2006, is the *BAVARIA* case, which was heard by the Turin Court of Appeal and which gave rise to preliminary rulings from the European Court of Justice (ECJ) (C-343/07 and C-120/08). On February 2 2011 the Turin Court of Appeal,

in line with the two ECJ rulings, confirmed the validity of the BAVARIA trademarks, which were registered and used in good faith before the application for a PGI for *Bayerisches Bier*.

The principles governing the relationship between PDOs, PGIs and trademarks are reiterated in Regulation 1234/2007. In addition, the EU Community Trademarks Regulation (207/2009), dealing with the relationship between PDOs, PGIs and trademarks (Articles 7.1j, 7.1k and 7.1g) reflects the obligation of the Office for Harmonisation in the Internal Market to refuse trademarks for wines, spirits or foodstuffs:

- that contain a PGI or PDO regarding identical or the same type of products (ie, comparable products);
- where the respective goods do not comply with the specifications of a PDO or a PGI; or
- if the application consists of or contains a term or sign that is evocative of a PDO or a PGI, or is of such a nature as to deceive the public as to the nature, quality or geographical origin of the goods or services.

#### A collective approach

PDOs and PGIs are considered to be distinctive signs, but their main function is more qualitative. They communicate to consumers a message of quality, as well as indicating geographical origin, thus functioning as a certification of quality standards corresponding to their recognised use. Protection as a PDO or a PGI is attributed when the name communicates a real quality which, due to the reputation of the product, is perceived in connection with the geographical origin.

The exclusion from registration of a sign as a trademark when it designates the geographical origin of a product is tempered by two exceptions. The bar on registration is removed if the trademark has acquired a distinctive character through use, or if an association has registered the indication relating to the geographical origin as a collective trademark. This would imply that a DO may also be the subject of a collective trademark.

Collective trademarks are regulated by Article 11 of the Industrial Property Code and by Article 2570 of the Civil Code, as well as by Articles 66 and following of Regulation 207/2009, according to which “the subject carrying out the function of guaranteeing the origin, the nature and the quality of certain products, or services, can obtain registration of a collective trademark”. In case of the registration of a collective trademark, the requirements concerning the use of such sign and the relevant controls and prohibitions shall be annexed to the application.

Unlike an individual trademark, a collective trademark does not indicate to the public the undertaking from which the product originates. Rather, it guarantees its nature and quality, and that the product satisfies certain origin requirements. Collective trademarks are subject to multiple use by all undertakings with the objective requirements established by the product’s specification and regulation. The owner of the registration shall ensure that its licensees respect the product specifications and the regulations in order to avoid forfeiture of the trademark.

An example of an Italian collective trademark is SPUMANTE OF ASTI. The guarantee of the typical qualities possessed by a product



**HOET PELAEZ CASTILLO & DUQUE, (HPCD)**, since its foundation more than 60 years ago, has been obligated to its clients to offer them high quality legal international services.

As a result of these high quality standards, and complying with all its requisites, HPCD has been awarded the “COVENIN ISO 9001:2008 Quality Certificate” by FONDONORMA, in both the Intellectual Property and Corporate Law areas, the latter being managed by an Association of lawyers of HPCD; thus placing us among the leading law firms in Venezuela.

HOET PELAEZ CASTILLO & DUQUE - INTELLECTUAL PROPERTY traces its origin to the founding in 1942 of an office dedicated to Intellectual Property matters. Today we are acknowledged as one of the most important Intellectual Property practices in Latin America, and consequently we stand out as one of the largest firms in the region with an international approach.

*Our office and its leading IP practice provides a wide array of services including:*

- General Counseling
- Trademarks
- Domain Names
- Patents
- Analysis Sanitary Registration
- Unfair Competition
- Licensing
- Franchising and Merchandising
- Changes on Trademarks & Patents
- Multiple Protection
- License Technological Transfer
- Model Designs
- Geographical Indications
- Litigation
- Alternative Dispute Resolution
- Copyright Border Measures

#### VENEZUELA OFFICE ADDRESS

Torre IASA, piso 3, Av. Eugenio Mendoza  
Plaza La Castellana. Caracas  
Website: [www.hpcd.com](http://www.hpcd.com) Email: [infoip@hpcd.com](mailto:infoip@hpcd.com)  
Tel.: +58 212 201 8611/ 263 6744 Fax: +58 212 263 7744

#### CONTACTS:

Partners: Franklin Hoet: [foet@hpcd.com](mailto:foet@hpcd.com)  
Patricia Hoet: [phoet@hpcd.com](mailto:phoet@hpcd.com)  
María M. Nebreda: [mnebreda@hpcd.com](mailto:mnebreda@hpcd.com)  
General Manager: Hugo Bazzani: [hbazzani@hpcd.com](mailto:hbazzani@hpcd.com)



covered by a collective trademark, in relation to its geographical origin, is certified by following the requirements for a collective trademark – for example, as in the case of PROSCIUTTO DI PARMA, which was originally registered as a collective trademark and was then absorbed in a PDO. The Italian Trademark Office is rather strict in granting geographical collective trademarks and can refuse the registration of such signs if the requested trademark may create a situation of unjustified privilege or may prejudice the development of other initiatives in the same region.

#### Looking to the future

PDOs and PGIs promote the EU quality system, as set out by the Commission Communication on the Promotion of Agricultural Products (COM 2012/141) in the framework of the Common Agricultural Policy reform, and the enhancement of PDOs and PGIs can help brand visibility.

Thanks to the ongoing support of GIs and DOs, brand visibility has considerably increased in Europe over recent years, rising from 8% in 2008 to 40% in 2012. In Italy, the importance of protecting PDOs and PGIs has increased by more than 50%, rising from 16% in 2008 to 34% today. In France, the increase has been even bigger, from 4% in 2008 up to 21% today. In Spain, it has risen from 3% to 14%; and in Germany, from 3% to 8.5%.

The European Union's main goal concerning PGIs and PDOs is to establish a PGI and PDO Register, which would extend to all products the level of protection currently granted to wines and spirits. The national authorities can consult the register and use the information obtained as *prima facie* evidence that the PGI or PDO at issue meets the legal requirements. No opposition system is contemplated, but any party may claim, at national level, that a PGI or a PDO does not meet the legal requirements as set out in TRIPs.

Another key issue for PGIs and PDOs concerns the so-called 'common food name'. EU legislation sets down clear requirements for what is protected and what is not, so that a term that is considered to be generic in the European Union cannot be protected as a PGI or a PDO, as with trademarks.

The European Union is now revising the legislative measures based on the quality package for food and agricultural products guidelines adopted by the European Commission on December 10 2010, with the aim of enhancing coherence between the existing quality assurance schemes.

In the near future, the European Union envisages taking major steps towards the registration of PGIs and PDOs, and will also clarify the rules on controls and compulsory use of PDO and PGI logos, which will further increase the visibility of these signs for consumers. This should both make them easier to recognise and simplify communication with the public, as well as improving their commercial impact. These signs can now be considered an extra business tool, coexisting with trademarks but with a different function that is more focused on quality, resulting in a more effective marketing and advertising tool for foodstuffs and wines. [WTR](#)



©iStockphoto.com/eli\_asenova