AGRI-FOOD MARKET REGULATION AND CONTRACTUAL RELATIONSHIPS

IN THE LIGHT OF DIRECTIVE (EU) 2019/633

Edited by
Anna Maria Mancaleoni
Raffaele Torino

Consumatori e Mercato 16

Università degli Studi Roma Tre
Dipartimento di Giurisprudenza

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Extending the protection of geographical indications within and beyond the EU

1. *Introduction*

Agricultural products have always had problems with coordination between the different stages of the supply chain, resulting in high transaction costs. At the same time, in the European agricultural market, rules and regulations have been increasingly relaxed. This has made business transactions very uncertain and put farmers in a difficult position between the enormous power of suppliers, processors and retailers at the other end of the chain. In response, European authorities have created new regulatory solutions to improve coordination and increase transparency along the supply chain. In this context, a better functioning food supply chain has become one of the main objectives of the Common Agricultural Policy (CAP).

In particular, the link between agri-food and food quality in economic development has attracted the interest of policy makers in various countries as global challenges such as sustainability and food security are reconsidered and reassessed. The critical role of food production in economic development has been highlighted through targeted agricultural quality measures to protect and promote products with distinctive characteristics associated with their geographical origin, as well as traditional products. As a result, efforts have been made to make agricultural products, which are increasingly traded on international markets, more identifiable at the national level.

The agricultural and food product quality policy was developed in what is now the European Union (EU)[1] with the intention of being one of the instruments of the Common Agricultural Policy (CAP) and helping reduce overproduction, increase farmers' incomes and preserve rural communities[2]. There is no doubt that the protection of geographical indications (GIs), primarily focused on the concept of *terroir* (which can be defined as an ecosystem characterised by several factors including local climatic conditions, geography and topography), is one of the most important tiles in the variegated mosaic of EU laws which promote the agrifood sector[3]. The regulations of GI not only protect local producers from those who appropriate and exploit their names in the marketplace. They also contribute to the promotion of public "goods" such as the conservation of biodiversity, the protection of cultural heritage and know-how, socio-cultural development and the fight against rural poverty[4].

There are currently four pieces of EU legislation on GIs addressing different categories of products, i.e. agricultural products and foodstuffs[5],

[1] See "The future of rural society", Commission communication transmitted to the Council and to the European Parliament. COM (88) 501 final, 28 July 1988. Bulletin of the European Communities, Supplement 4/88. [EU Commission - COM Document].

[2] See A. di Lauro, *Le Denominazioni di Origine Protette (DOP) e le Indicazioni Geografiche Protette (IGP)*, in *Trattato di diritto alimentare italiano e dell'Unione europea*, Paolo Borghi et al. (eds), Milano, 2021, p. 431.

[3] See e.g. G. Belletti-A. Marescotti, *Origin Products, Geographical Indications and Rural Development*, in E. Barham, B. Sylvander (eds), *Labels of Origin for Food: Local Development, Global Recognition* 75 (CABI 2011); A. Zappalaglio, *The Transformation of EU Geographical Indications Law: The Present, Past and Future of the Origin Link*, Routledge, 2021.

[4] See e.g. P. Cullet, *Intellectual Property Protection and Sustainable Development* 333-36 (2005) (arguing how geographical indications can function as a tool for addressing traditional knowledge concerns); D. Zographos, *Can Geographical Indications Be a Viable Alternative for the Protection of Traditional Cultural Expressions?*, in *New Directions in Copyright Law* 37, p. 55 (F. Macmillan & K. Bowrey, eds, 2006); T. Kono, Geographical Indication and Intangible Cultural Heritage, in B. Ubertazzi and E. Muñiz Espada (eds), *Le indicazioni di qualità degli alimenti* 289, 293 (2009); D. Gervais, *Traditional Knowledge: Are We Closer to the Answers? The Potential Role of Geographical Indications*, *ILSA J. of Int. and Comp. Law* 551 (2009); T. Dagne, *Intellectual Property and Traditional Knowledge in the Global Economy: Translating Geographical Indications for Development* (2014) (examining the role GIs can play in protecting traditional knowledge).

[5] 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, 2012 OJ (L 343).

wines[6], aromatised wines[7] and spirit drinks[8]. The very first piece of EU GI legislation was introduced in the early 1990s, i.e. Regulation 2081/92[9]. It was negotiated at the time when European Union decision-makers were discussing the reform of the CAP and ultimately provided an important opportunity to further harmonize GI by creating two important titles of protection: protected designations of origin (PDOs) and protected geographical indications (PGIs)[10]. The process has not been smooth initially for a variety of reasons, including the fact that some EU Member States had not adopted any scheme of GI protection before 1992[11]. Regulation 2081/92 was subsequently replaced by Regulation 510/2006[12], which in turn was repealed by Regulation 1151/2012[13]. Although the original system has been substantially maintained, the current system has undergone some changes, including the legal basis used to enact the act. While the previous basis was the CAP, the current one is also found in Article 118 of the Treaty on the Functioning of the European Union, which allows the European Parliament and the Council to establish measures to create pan-European

[6] Regulation (EU) No. 1308/2013 establishing a common organisation of the markets in agricultural products and repealing Regulations 922/72, 234/79, 1037/2001 and 1234/2007, 2013 OJ (L347).

[7] Regulation (EU) 251/2014 on the definition, description, presentation, labelling and the protection of geographical indications of aromatised wine products and repealing Regulation 1601/91, 2014 OJ (L84).

[8] Regulation EU 2019/787 on the definition, description, presentation and labelling of spirit drinks, the use of the names of spirit drinks in the presentation and labelling of other foodstuffs, the protection of geographical indications for spirit drinks, the use of ethyl alcohol and distillates of agricultural origin in alcoholic beverages, and repealing Regulation 110/2008, 2019 OJ (L130).

[9] Regulation (EEC) 2081/92 of the Council of July 14, 1992, on the protection of geographical indications and designations of origin for agricultural products and foodstuffs, 1992 O.J. (L208).

[10] Regulation 2081/92 also created the so-called Certificates of Specificity, now called Traditional Speciality Guaranteed (TSG). This title protects the traditional aspects of a product e.g. the manufacturing technique. When a name is registered as TSG, it is protected against falsification and misuse.

[11] See A. di Lauro, *Le Denominazioni di Origine Protette (DOP) e le Indicazioni Geografiche Protette (IGP)*, cit.

[12] Commission Regulation (EC) No 510/96 of 22 March 1996 concerning the classification of certain goods in the combined nomenclature, 1996 OJ (L76/7).

[13] 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, 2012 OJ (L 343).

intellectual property (IP) rights[14]. Therefore, geographical indications are protected in the EU not only to implement agricultural product quality policy, but also to promote intellectual property and fair competition in the relevant markets.

The protection offered to PGIs and PDOs in the EU is notoriously strong. Both titles protect names of products which have qualities linked to the soil and local areas and are made according to specific methods of production (e.g "Rioja" and "Champagne" wines; "Parmigiano Reggiano" cheese; salame felino; mortadella di Bologna; Mutarde de Bougorgne; Gruyère). While PDOs guarantee that the whole manufacturing process is carried out from the beginning until the end in a specific geographical area, PGIs are granted even when just one phase of the productive process is performed in the territory in question. Because of this inextricable link between the quality and reputation of the product and the area from which it comes, the EU's geographical indication system promotes cultural and gastronomic heritage. For some years, the possibility of protecting non-agricultural traditional products such as cutlery, leather, ceramics and glassware (e.g. Murano glass) as GI has also been discussed. Some countries have already taken legislative action and introduced GI protection for industrial products, but a common framework at EU level is still lacking in this specific area. In April 2022, the European Commission put forth a proposal for a novel regulation concerning Geographical Indications (GIs), encompassing the safeguarding of both craft and industrial products[15].

It is interesting to note that what can be protected as a PDO or PGI are also GIs from countries outside the EU[16]. The right to register non-EU GIs

[14] See Consolidated Version of the Treaty on the Functioning of the European Union art. 118, 2010 O.J. C 83/47 (stating that «In the context of the establishment and functioning of the internal market, the European Parliament and the Council, acting in accordance with the ordinary legislative procedure, shall establish measures for the creation of European intellectual property rights to provide uniform protection of intellectual property rights throughout the Union and for the setting up of centralised Union-wide authorisation, coordination and supervision arrangements. The Council, acting in accordance with a special legislative procedure, shall by means of regulations establish language arrangements for the European intellectual property rights. The Council shall act unanimously after consulting the European Parliament»).

[15] See Proposal for a Regulation of the European Parliament and of the Council on European Union geographical indications for wine, spirit drinks and agricultural products, and quality schemes for agricultural products, amending Regulations (EU) No 1308/2013, (EU) 2017/1001 and (EU) 2019/787 and repealing Regulation (EU) No 1151/2012, COM/2022/134 final/2.

[16] Article 11, para. 2, Regulation 1151/2012.

was initially subject to the existence in the state where the GI applicant was established of a kind of protection similar to the one granted by the EU. This condition triggered two disputes at the World Trade Organization (WTO), with the US and Australia challenging certain substantive and procedural requirements imposed on non-EU countries where GI applicants came from – requirements which were considered by the complainants as discriminatory. The WTO Panel partially sided with US and Australia[17]. To date, seventeen non-EU countries have registered GIs through the EU GIs system, with the first African PDO being protected in 2021, i.e., Rooibos / Red Bush[18].

With this in mind, the chapter is structured as follows. Section II looks at the recent case law of the Court of Justice of the European Union (CJEU) on the scope of GI protection, which has been considerably extended. Section III then looks at the differences between the GI protection regimes of the EU (*Old World)* and several countries that were former colonies of European states, including the US, Canada, Australia and Chile (*New World*). Section IV focuses on the GI provisions of the 2018 EU-Japan Economic Partnership Agreement: this case study is a good example of

[17] See *EC — Protection of trademarks and GIs for agricultural products and foodstuffs* (DS174 and DS290). US and Australia claimed that several aspects of the old EU Regulation 2081/92 (related to the filing, opposition and inspection procedures as well as labelling requirements) violated the TRIPS national treatment clause, and were therefore discriminatory. Specifically, and more importantly, it was complained that non-EU GIs could be registered in EU only provided that (a) the non-EU country the GI applied for originated from had in place a GI registration procedure similar to the one provided under the EU Regulation in question; and that (b) the non-EU country offered EU GIs a protection similar to the EU regime. As mentioned, the WTO Panel sided with US and Australia and found that the EU equivalence and reciprocity requirements offered non-EU subjects a less favourable treatment. In other words, those requirements amounted to "extra hurdles" which ended up in giving non-EU products less chances of access to the EU market. This was confirmed by the fact that until the EU regime had not been modified by eliminating the equivalence and reciprocity requirements, no GI from non-EU countries had ever been registered in the EU. The US also partially prevailed as to the aspects related to the inspection procedures. As a matter of fact, under Regulation 2081/92 non-EU GIs could be registered in the EU provided that the country of origin had adopted EU-style inspection procedures. What the WTO Panel found discriminatory was the compulsory involvement of national governments of the country of origin of the GI in setting up the required inspection structures: indeed, it was up to said governments to set up and approve these structures, and release non-EU applicants statement confirming that such structures had been set up in their country. As to the claims related to filing and oppositions procedures and labelling requirements, the EU prevailed on both issues.

[18] On this registration see E. Bonadio-M. Contardi, *Rooibos tea: EU protection is good news for South African agriculture*, 29 June 2021, *The Conversation*.

how the EU succeeds in using bilateral trade or economic partnership agreements to protect its GI -intensive industries in international markets. Section V concludes.

2. *Broadening GIs' scope of protection under EU Law*

The scope of GI protection under EU law is notoriously broad. It allows holders of geographical indications to prevent others from using the geographical name not only in such a way as to mislead consumers as to the geographical origin and quality of the product, but also to use that name in a purely allusive manner that does not confuse consumers, for example when accompanied by expressions such as "kind", "type", "style", "imitation" or the like, or when used in translations. In simpler terms, a German cheese producer could not use the expressions "Parmigiano-type" or "Parmesan-style" in connection with its products, even if consumers understand that the cheese is produced in Germany and not in the area around the Italian city of Parma. Therefore, the owners of GI have the right to prevent others from using the evocative power of their sign.

In recent years, the concept of "evocation" has been interpreted quite broadly by the CJEU[19]. Moreover, the Court has extended the protection of GI so that not only the sign itself, but also the characteristics of the product GI are protected. The three most recent cases in which such a broad interpretation[20] has been applied are *Morbier*[21], *Queso Manchego*[22] and *Champanillo*[23].

[19] A. Zappalaglio, *EU Geographical Indications and the protection of producers and their investments. In: The Cambridge Handbook of Investment-Driven Intellectual Property*, E. Bonadio, P. Goold (eds), Cambridge University Press, 2022.

[20] This is not to say that the CJEU has always given a wide interpretation of GIs' scope of protection. For example, in *Comité Interprofessionnel du Vin de Champagne v Aldi Süd Dienstleistungs-GmbH & Co.OHG* (C-393/16), the CJEU found that a sorbet could be marketed under the name "Champagner Sorbet" if it featured, as one of its essential characteristics, a taste that was predominantly attributable to the Champagne wine.

[21] Syndicat interprofessionnel de defense du fromage *Morbier v Societe Fromagere du Livradois SAS* (C-490/19) EU:C:2020:1043; [2021]. On this case see S. Martin-L. Bourdeau, *Judge a cheese by its cover, says the Court of Justice in the Morbier case*, 43 *Eur. Intell. Prop. Rev*. 475 (2022).

[22] Fundacion Consejo Regulador de la Denominacion de Origen Protegida Queso Manchego v Industrial Quesera Cuquerella SL (C 614/17), EU:C:2019:344, at [18], [25].

[23] *Comité Interprofessionnel du Vin de Champagne v GB* (C-783/19) EU:C:2021:713; [2021]

In *Morbier*, the CJEU concluded that a PDO is protected not only against the use of the registered name by third parties, but also against the imitation of the distinctive shape or appearance characteristic of the GI-protected product: in this case, that feature was the blue horizontal line of the French creamy cheese Morbier. The Court recalled that the scope of protection of GI is so broad that its owner may prohibit others from imitating the shape or appearance characteristic of the GI product if such imitation is liable to mislead consumers as to the true origin of the product in question[24]. To resolve disputes, therefore, the CJEU went on, it must be determined whether that representation is likely to mislead a reasonably well-informed (as well as a reasonably observant and circumspect) consumer, taking due account of all factors, such as the way in which the products are presented and marketed to the public. Furthermore, the Court noted that the protected name and the product identified by it are inevitably closely linked, as the PDO is protected because it designates a product with certain qualities or characteristics. Therefore, imitation of the shape or appearance of a GI product may constitute an infringement of that GI even if it is not reproduced on the product or its packaging.

Moreover, in *Queso Manchego*, the Court extended the concept of evocation to figurative elements, since such elements have the potential to «trigger directly in the consumer's mind the image of products whose name is registered on account of their 'conceptual proximity' to such a name»[25]. Queso Manchego is a PDO owned by the homonymous Fundación, which protects the famous cheese from the Spanish region of Castilla La Mancha.

The CJEU held that the sale of cheese products using images evoking the famous character Don Quixote de La Mancha, landscapes with windmills and sheep, and a bony horse (all elements from Cervantes' novel) [26] may infringe the PDO Queso Manchego, as these figurative signs are capable of creating a "conceptual proximity" to the GI and directly evoke the famous cheese in the consumer's mind. This interpretation was later adopted by the Spanish Supreme Court in the national proceedings following the preliminary ruling of the CJEU[27].

[24] Indeed, Article 13(1)(d) of Regulation 1151/12 provides that the GI holder is entitled to prevent «any other practice liable to mislead the consumer as to the true origin of the product».

[25] *Syndicat interprofessionnel de defense du fromage Morbier v Societe Fromagere du Livradois SAS* (C-614/17).

[26] What was also used by the PDO owner's competitor was the term 'Rocinante', which is the name of the horse ridden by Don Quixote in Cervantes' novel.

[27] Judgement no 451 of the Spanish Supreme Court of 18 July 2019.

These two judgments seem to go too far. Indeed, it can be argued that granting a monopoly on the shape of a product, as well as on images that merely evoke characters and landscapes of the geographical area associated with a particular GI, is inherently contrary to the principles of free trade and competition. In particular, with regard to the *Morbier* decision, it could be argued, as Andrea Zappalaglio notes, that geographical indications are not trademarks and, in particular, «are not signs arbitrarily designed by their users»[28]. It is therefore far-fetched to conclude that a dark blue line on a cheese resulting from a well-known and non-unique production technique has acquired distinctive character as if it were a trademark.

Finally, what about the Champanillo case? The Comité Interprofessionnel du Vin de Champagne - the association of Champagne producers that administers the homonymous PDO - has filed a lawsuit in Spain to stop a tapas bar chain from using the word "champanillo". The tapas bar chain's defense argument was that it uses the term as a brand name for catering establishments and that such use cannot cause confusion with wines from the Champagne region. The CJEU did not allow this point to stand. In particular, it ruled that a PDO protects not only products but also practices relating to services. The Court also clarified that in order to determine whether there is an "evocation" to a PDO, it is not necessary to first establish that the product protected by the PDO and the disputed sign are identical or similar. It is sufficient that when the consumer comes across the disputed term, he immediately thinks of the PDO product, in this case champagne[29]. Thus, the concept of "evocation" does not require that the two signs, the protected sign and the challenged sign, be identical or in any way similar. What is required, rather, is a sufficiently clear and direct link between the contested designation and the PDO in the mind of the average informed European consumer. Once again, the CJEU has extended the scope of protection against the evocation to a PDO, thus granting protection that in some respects goes even further than that of trademarks.

[28] See e.g. A. Zappalaglio, *EU Geographical Indications and the protection of producers and their investments. In: The Cambridge Handbook of Investment-Driven Intellectual Property*, E. Bonadio, P. Goold (eds), Cambridge University Press, 2022.

[29] *Comité Interprofessionnel du Vin de Champagne v GB* (C-783/19) EU:C:2021:713; [2021] , §53 ff.

3. *Old World v New World*

As mentioned, protecting GIs via PDOs and PGIs is at the heart of Europe's agricultural and food policy. But other countries, particularly in the so-called *New World* (i.e. the former colonies of European countries), do not offer geographical names the same strong protection as the EU does[30]. The US, Canada and other states for example do protect geographical signs, but they do so via trademark law based on the 'first come first served' rule. This may create conflicts between European producers of wine, cheese and ham and local competitors in the new world. Chile, for instance, had not adopted a comprehensive law on geographical indications until 2005 - and several Chilean producers of wine in the past used European GIs. One of these was Champagne (which is protected in more than 120 countries). Chile claimed that this term had been used locally by several Chilean wine-makers as both a generic term and a component of registered trademarks,

[30] Scholarly work on the dichotomy "old world" / "new world" in the field of GIs is extensive. See F. Addor and A. Grazioli, *Geographical indications beyond wines and spirits: A roadmap for a better protection for geographical indications in the WTO/TRIPS agreement* (2002) 5 *J.World Intell.Prop*. 865; J.M. Cortès Martin, *The WTO TRIPS agreement: the battle between the Old and the New World over the protection of geographical indications* (2004) 7(3) *The Journal of World Intellectual Property* 287; A. Kamperman Sanders, *Future Solution for Protecting Geographical Indications Worldwide* (2005) 25 *Studies in Industrial Property and Copyright Law* (IIC Studies); M. Perez Pugatch, *The intellectual property debate: Perspectives from law, economics and political economy* (Edward Elgar Publishing, 2006); I. Calboli, *Expanding the protection of geographical indications of origin under TRIPS: Old debate or new opportunity* (2006) 10 *Marq. Intell. Prop. L. Rev*. 181; G.E. Evans-M. Blakeney, *The protection of geographical indications after Doha: Quo vadis?*, (2006) 9(3) *Journal of International Economic Law* 575; I. Calboli, *Intellectual property protection for fame, luxury, wines and spirits: Lex specialis for a corporate "dolce vita" or a "good-quality life"?*, in *Intellectual Property and General Legal Principles* (Edward Elgar Publishing, 2015a); I. Calboli, *Of markets, culture, and terroir: the unique economic and culture-related benefits of geographical indications of origin*, in *International Intellectual Property* (Edward Elgar Publishing, 2015b); I. Calboli, *Time to Say Local Cheese and Smile at Geographical Indications of Origin-International Trade and Local Development in the United States* (2015c) 53 *Hous. L. Rev*. 373; C. Heath-D. Marie-Vivien. *Geographical indications and the principles of trade mark law–A distinctly European perspective* (2015) 46(7) IIC-*International Review of Intellectual Property and Competition Law* 819; B. O'Connor-G. De Bosio, T*he global struggle between Europe and United States over geographical indications in South Korea and in the TPP economies*, in *The importance of place: Geographical indications as a tool for local and regional development* (Springer, 2017) 47; D. Friedmann*, Geographical Indications in the EU, China and Australia, WTO Case Bottling Up Over Prosecc*o, (2018) *European Integration and Global Power Shifts: What Lessons for Asia* 18.

dating back to the 1930s[31]. From a European perspective, this is perceived as an unfair behaviour which aims to free ride on the reputation of European food and agricultural products' brands and heritage, and may also end up confusing consumers as to the real geographical provenance of the goods. The specific Chilean case was settled in 2002 when Chile and the EU signed a free trade agreement which provided for 12 years of coexistence after which all Chilean trademarks including the expression "champagne" would be cancelled and any generic use of the term would cease[32]. This period ended in 2015[33].

Disputes of this kind have also materialised in sectors other than wine. One of these occurred between producers of cured ham made in the area around the Italian town of Parma, and the Canadian company Maple Leaf Foods Ltd.[34], which owned trademark rights in Canada for the term "Parma" (in the EU the sign "Prosciutto di Parma"[35] is protected as a PDO, and owned by the Consorzio del Prosciutto di Parma)[36]. The trademark registration held by Maple Leaf Foods resulted in the Italian producers

[31] See F. Mekis, *Simposio sobre la Protección Internacional de las Indicaciones Geográficas – Denominaciones de Origine Posición de las viás de Chile en el concierto del nuevo mundo y relación con las negociaciones con la unión Europ*ea OMPI/GEO/MVD/01/4, 9 Noviembre 2001, World Intellectual Property Organisation (WIPO) (noting that at that time (2001) «[t]he word 'champagne' is also currently incorporated in numerous trademark-labels which constitute complex marks which they cannot be deprived of without infringing rights enshrined in our Constitution», and further arguing that when 'Champagne' is used alone, it would be considered as generic name under article 19 n. 23 of the Chilean constitution, but when used as part of a complex sign it would qualify as trademark, thus protected by proprietary rights under the Chilean Constitution).

[32] Agreement establishing an association between the European Community and its Member States, of the one part, and the Republic of Chile, of the other part (2002). O.J. L 26 of 31.01.2003.

[33] Vitisphere, Indicación Geográfica: el Champagne es protegido en Chile y Ecuador (May 2015), available at https://www.vitisphere.com/news-72912-Indicacion-geogrfica-el-champagne-es-protegido-en-Chile-y-Ecuador.html.

[34] *Consorzio Del Prosciutto Di Parma v. Maple Leaf Meats Inc.*, (2001) 205 F.T.R. 176 (TD).

[35] Canadian Intellectual Property Office, Trademark registration no. TMA179637. Available at: http://www.ic.gc.ca/app/opic-cipo/trdmrks/srch/viewTrademark.html?id=281563&lang=eng&status=&appKey=281563-00&startingDocumentIndexOnPage=1 . For a detailed review of the decision see: *Dr Crowne, Pounds of Flesh, the Merchants of Parma & Ham-Lets: a Review of The Parma Ham Litigation Across Canada and the UK* (2010) 18 *Intellectual Property Journal* 443. See also: See in this regard C. Viju-W.A. Kerr-C. Mekkaoui, *Everything is on the Table: Agriculture in the Canada-EU Trade Agreement*.

[36] eAmbrosia no. PDO-IT-0067.

being banned from using signs incorporating the term Parma in Canada and being forced to resort until very recently to alternative brands such as "Le Jambon original" or "The original prosciutto"[37].

One of the arguments put forward by countries in the *New World* is that these terms often do not identify anything but just describe the product itself (e.g., the average consumer in the US does not know that "Parmigiano" is the famous cheese produced in the Italian town of Parma); and that therefore the attempt by the EU to claw-back names which have become common in those states constitutes a protectionist measure aimed at monopolising descriptive terms and signs to the detriment of competition and consumers (see, for instance, the Chilean claims regarding "Champagne"). This is thus a fight between the *New World* which embraces a minimalist approach to protecting geographical names[38], and the *Old World*, especially Europe, which advocates for a strong protection - not only at home, but also in other states via bilateral trade or economic partnership agreements. Indeed, the EU has constantly sought enhancing protection for its geographical names by shifting away from the WTO arena (where the more than two decades long discussion over reforming the TRIPS regime of GIs has been fruitless)[39] toward a variety of bilateral accords that range from standalone agreements on GIs to sectorial accords that provide for mutual recognition and protection of names for wines or spirits[40]. Specifically, the EU has in the latest years concluded comprehensive agreements with other

[37] La Repubblica – *Parma, Ceta: Prosciutto di Parma in Canada con proprio nome* (September 2017). Available at: https://parma.repubblica.it/cronaca/2017/09/20/news/alimentare_prosciutto_di_parma_in_canada_con_proprio_nome-176019727/ (noting that CETA allows for the coexistence between the prior Parma trademark, owned by Maple Leaf Foods, and the Italian GI "Prosciutto di Parma"; and cheering the fact that as of 2018 Italian producers of Parma ham have been able to use the term 'Parma' on the packaging and advertising).

[38] T. Josling, *The war on terroir: geographical indications as a transatlantic trade conflict* (2006) 57(3) *Journal of agricultural economics* 337.

[39] The TRIPS Agreement is one of the WTO treaties: Agreement on Trade-Related Aspects of Intellectual Property Rights 15 April 1994 33 Marrakesh.

[40] For instance, the Agreement between the European Community and Australia on trade in wine (1994, renewed in 2008), 2009 O.J. (L) 28/13; the Agreement between the European Community and the United Mexican States on the mutual recognition and protection of designation for spirit drinks, 1997 O.J. (L) 152/16; the Agreement establishing an association between the European Community and its Member States, of the one part, and the Republic of Chile, of the other part, 2002 O.J. (L) 352; the Agreement between the European Community and the Republic of South Africa on trade in wine, 2002 O.J. (L) 28; and the Agreement between the European Community and the United States of America on trade in wine, 2996 O.J. (L) 87/2.

nations that include a chapter on GIs[41], e.g. the treaty concluded with Canada (CETA)[42].

The GIs rules included in IP chapters of FTA have always been a sensitive issue for European countries such as Italy which have a strong wine and food heritage that is often misused and appropriated in other countries. Take CETA for example. Canada has accepted to protect just 41 Italian GIs – e.g. 'Aceto balsamico' e 'Aceto balsamico Tradizionale di Modena', 'Parmigiano Reggiano', 'Culatello di Zibello', 'Mozzarella di Bufala Campana' – out of the 291 list that Italy had sought to protect. As a result, Italy has decided to delay the ratification of the agreement[43] on the grounds that it covers only a small number of its protected GIs.

The tension between the *Old World* and the *New World* also emerged during the negotiations between the US and the EU for concluding the Transatlantic Trade and Investment Partnership (TTIP). These talks failed also because of the opposition of US producers of wines and food (especially cheeses) which could not accept the EU claw-back demands. Emblematic and eloquent was the letter sent by fifty-five US senators to the US Trade Representative in 2014, expressing their dislike of the EU requests. It included the following exhortation: «we urge you to make clear to the EU counterparts that the US will reject any proposal in the TTIP negotiations now underway that would restrict in any way the ability of US producers to use common names (eg for cheeses)»[44]. The TTIP negotiations were then interrupted after Trump was elected US President, and at the date of writing

[41] M. Huysmans, *Exporting protection: EU trade agreements, geographical indications, and gastronationalism* (2020) *Review of International Political Economy* 1.

[42] EU-Canada Comprehensive Economic and Trade Agreement (CETA), OJ *(L)* 11 of 14.1.2017. For a full overview of the agreement, see: B. O'Connor, *Geographical indications in CETA, the comprehensive economic and trade agreement between Canada and the EU* (2014) NCTM Association d'avocats, http://www.origin-gi.com/images/stories/PDFs/English/14.11.24_GIs_in_the_ CETA_English_copy.pdf.

[43] Being a mixed type treaty, that is an agreement concerning areas of shared competence between of EU Member States, it needs the ratification of individual Member States to become fully applicable. Pending ratification at national level, the agreement then enters into force for all the parts that are the exclusive competence of the EU, postponing the full application of all chapters until the national ratification process of the agreement according to domestic national law. Thus, CETA agreement (partially) entered into force provisionally.

[44] F. Arfini, M.C. Mancini and M. Veneziani, *Intellectual Property Rights for Geographical Indications: What is at Stake in the TTIP?*(Cambridge Scholars Publishing, 2016); the Senator's letter is available at: U.S. Senator Tammy Baldwin of Wisconsin (senate.gov).

there is no concrete sign that they would be resumed soon.

4. *The EU goes East: the GIs aspects of the EU-Japan Economic Partnership Agreement*

The EU has also concluded GI-protecting treaties with countries from the Far East. For example, in 2020 it signed a sectorial agreement with China on the protection of GIs[45]. The trade accord concluded with Korea[46] also contains an IP chapter with several important GI provisions. And so does the EU-Japan Economic Partnership Agreement (JEPA)[47]. JEPA was signed on 1 July 2018 and entered into force on 1 February 2019, with Chapter 14 focusing on IP rights. JEPA should be hailed as a positive contribution to strengthening IP protection in both the EU and Japan, and therefore further promoting trade and reciprocal investments[48].

JEPA's Chapter 14 does include a section on GIs, in particular in relation to foodstuff and agricultural products as well as wines, spirits and other alcoholic beverages[49]. Chapter 14 reaffirms the strong protection that the EU and Japan already have in connection with geographical names[50]. In both countries registrations are granted by governments after

[45] Agreement between the European Union and the Government of the People's Republic of China on cooperation on, and protection of, geographical indications, *OJ (L) 408I of 4.12.2020.* The recently entered into force EU-China Agreement (March 1, 2021) recognises 26 important Italian denominations for food– e.g., Prosciutto di Parma, Grana Padano, Parmigiano Reggiano –, but also names of wines – e.g. Chianti, Barolo, Brunello di Montalcino, Prosecco - Conegliano Valdobbiadene. Among overall GIs protected under the agreement (100), Italy is the European country with the highest number of protected names.

[46] European Union–South Korea Free Trade Agreement, OJ (L) 127 of 4.05.2011. For a full overview of the agreement, see: B. O'Connor and G. De Bosio, above in fn. 30.

[47] Agreement between the European Union and Japan for an Economic Partnership, OJ (L) 330 of 27.12.2018.

[48] See JEPA Art. 14.1.

[49] Chapter 14 does not cover geographical names for industrial products, as it is indirectly confirmed by Art. 14.22(1), which mentions just wines, spirits, other alcoholic beverages and agricultural products. Therefore, as far as agricultural products are concerned, Japan and the EU are bound by the minimum standard obligations under Articles 22-24 TRIPS.

[50] As far as the EU is concerned see the already mentioned Regulation No 1151/2012 and Regulation 2019/787. As far as Japan is concerned, see the 2005 Act on Protection

an examination is carried out that aims at checking the quality of the relevant products and the link between such quality and the geographical areas. Specifically, both the EU and Japan already have in place an advanced system of GI registration procedure, which complies with the requirements under Chapter 14[51]. Such system consists of steps such as:

(1) making available to the public the lists of registered GIs;
(2) managing administrative processes aimed at verifying that the name identifies a product as originating from the geographical area in question, where the quality, reputation or other feature of the good is essentially attributable to its geographical origin;
(3) an opposition procedure that allows the legitimate interests of third parties to be taken into consideration; and
(4) a cancellation procedure[52].

Also, both EU and Japanese laws offer a wide scope of protection, as GI owners are given the right to prevent others from using their signs not only to confuse consumers as to the geographical origin of the product, but also from merely evoking and recalling such names. Chapter 14 confirms such wide scope of protection also for the 217 EU GIs as well as the 56 Japanese GIs included in JEPA[53]. Thus, the EU has obtained protection of many European geographical names in Japan (this has happened through a procedure which has included publication and the submission of opinions by interested parties, and which was finalised before JEPA entered into force). Champagne, Feta, Parmigiano-Reggiano, Camembert de Normandie, Prosciutto Toscano and Prosecco are just a few examples. Obviously, Japan has also secured protection of some of its own GIs in the

of the Names of Specific Agricultural, Forestry and Fishery Products and Foodstuffs as well as the 2015 Notice on Establishing Indication Standards Concerning GI for Liquor. For a summary of the former, see http://www.maff.go.jp/e/policies/intel/gi_act/attach/pdf/index-3.pdf. For the text of the latter, see https://www.nta.go.jp/english/taxes/liquor_administration/geographical/01.htm.

[51] Art. 14.23. For a summary of the Japanese regime of GI protection, and most important aspects of GIs provisions under JEPA, see the website of the general trading company Mitsui, at https://www.mitsui.com/mgssi/en/report/detail/__icsFiles/afieldfile/2019/05/30/1904c_matano.pdf. For an additional summary of the most relevant features of JEPA, see the website of the EU-Japan Centre for Industrial Co-operation, a no-profit venture between the European Commission and the Japanese government, at https://www.eubusinessinjapan.eu/sites/default/files/geographical-indications-factsheet.pdf.

[52] See again Art. 14.23.

[53] Art. 14.25.

EU, 'Kobe beef' being the most notable example. Yet, the EU has obtained by far the highest number of protected indications. A quick look at the long list of EU protected names referred to in JEPA's Annex 14-B, as opposed to the shorter list of the corresponding Japanese indications, is quite telling. As shown above, the EU does have 217 GIs (72 for food and 145 for wines and spirits) while Japan has just 56 (48 for food and 8 for wines and spirits)[54]. The lists may also be amended (and possibly expanded) in the future[55], leaving the EU and Japan free to decide at a later stage to protect additional GIs[56].

5. *Conclusion*

The EU regularly seeks strong protection for geographical indications for agricultural products and foodstuffs, as well as for wines and spirits, both at home and in countries with which bilateral negotiations are taking place. This pressure for stronger protection, which is certainly much higher than in other countries, comes from powerful lobbies within the agri-food sector, particularly in countries such as France, Italy, Spain, Portugal and Greece.

Within the EU, the CJEU has recently extended the scope of protection of geographical indications. However, whether this is necessarily a result consistent with the traditional aims of GI is debatable. In particular, the CJEU rulings in the *Queso Manchego* and *Morbier* cases are quite controversial and risk making the EU sui generis GI protection system an easy target for criticism. Most aspects of such a system are certainly to be commended, but it seems difficult to justify the extended protection recently approved by the ECJ with such an overbroad notion of "evocation" (*Queso Manchego*) and the unusual protection of characteristics of the GI product (*Morbier*). It may well be that the CJEU will take a different (and narrower) position in future disputes over the scope of GI protection.

[54] See Annex 14-B List of geographical indications.

[55] Art. 14.30.

[56] JEPA also contains some exceptions which limit the ability of EU GI owners to use and claim exclusive rights over their signs. Yet, overall, these exceptions do not tilt the balance in favor of Japan as the EU is clearly the party which has obtained most benefits when it comes to protecting GIs. On such exceptions, and in general for a full overview of the intellectual property aspects of JEPA see E. Bonadio-L. McDonagh-T. Sillanpaa, *Intellectual property aspects of the Japan-EU economic partnership agreement* (2020) 2 *International Trade Law & Regulation*.

What is also criticised, especially in *New World* countries, is the EU's 'expansionist' approach. We have seen that the EU is trying to export as much as possible an EU-like regime of GI protection through free trade agreements and economic partnership agreements. While in some cases the EU was not always able to impose the level of protection it wanted, in other cases most of the EU demands were accepted at the end of the negotiations: The EU-Japan agreement is an example of this latter trend. Indeed, Japan has made concessions to the EU and accepted to protect, through JEPA, more than two hundred European geographical names such as Champagne, Parmigiano and Feta (conversely, the number of Japanese geographical indications protected in the EU under this agreement is much lower)[57]. It should be remembered, however, that this treaty has caused discontent in other parts of the world. For example, Australian wine producers who sold sparkling wine in Japan with the Prosecco label have lost the right to continue using that brand in the Japanese market precisely because of JEPA. The latter agreement, in fact, has protected the name 'Prosecco' as a geographical name in Japan, the registration being owned by the Italian consortium for Prosecco wine. This is a serious blow to Australian wine producers, who will inevitably suffer losses due to the loss of sales in Japan[58]. However, while the critique of the EU's 'expansionist' strategy can be understood from the perspective of the New World, it appears weak when viewed through the prism of EU policy. After all, all states tend to satisfy their interests as much as possible when it comes to negotiating trade agreements. The EU was not the first and will not be the last to do so.

[57] It should be noted however that Japan mostly benefits from other non-IP parts of JEPA, for example from the removal of EU import duties on Japanese cars (Japan's automobile sector is notoriously strong and that the EU is the biggest importer of road vehicles in the world). It is therefore no surprise that JEPA has been ironically labelled as the "cars-for-cheese" agreement.

[58] Australian wine producers also claim that the term 'Prosecco' is not a real geographic name, being instead just the name of the grape variety, which therefore should not be monopolised. See M. Davison-C. Henckles-P. Emerton, *In Vino Veritas? The Dubious Legality of the EU's Claims to Exclusive Use of the Term 'Prosecco'* (2019) 29 *Australian Intellectual Property Journal*, pp. 110-126. For an opposite view, see E. Bonadio-M. Contardi, *The GI Prosecco Battle between Italy and Australia: Some Lessons from the History and Geography of the Most Famous Italian Wine*, (2022) 23 *The Journal of World Investment and Trade*, pp. 260-292..