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EU Geographical Indications and the protection of producers and their investments

1. Introduction

The Law of Geographical Indications (GIs) is the branch of Intellectual Property Law that protects the names that are used to describe products that originate from a specific geographical area. Only 10-15 years ago, this was a narrow and obscure area, studied by a small number of scholars and practitioners.[1] Today, instead, they have become a popular subject, discussed in more than a hundred publications every year.

In particular, the EU is the jurisdiction where GIs are most popular and widely debated. This is due to different reasons. First of all, historical ones. In fact, the early systems for the protection of Indications of Geographical Origin were developed in France during the 1920/30s.[2] Secondly, the EU applies a peculiar *sui generis* regime, i.e. a system that protects GIs as such through an *ad hoc* bureaucratic administrative procedure.[3] This protects four categories of goods: agricultural products and foodstuffs; wines; fortified wines and spirits[4] and it may be soon extended also to non-agricultural products, e.g. handcrafts.[5] In particular, the first two fields are the most relevant in terms of number of registrations and feature two main quality schemes: the Protected Designation of Origin (PDO) and the Protected Geographical Indication (PGI).[6] This regime, although criticized by some, especially in the common law world,[7] has been adopted in similar forms in various countries.[8] Lastly, the EU market of GI products is indeed relevant with a sales value that in 2017 amounted to approximately 80 billion

[1] For some excellent pioneering works, still valid today, see D. Gangjee, *Relocating the law of geographical indications* (CUP, 2012); E. Barham and B. Sylvander (eds.), *Labels of origin for food: local development, global recognition* (CABI, 2011).

[2] For an historical analysis see. A. Zappalaglio, *The transformation of EU geographical indications law: the present, past, and future of the origin link* (Routledge, 2021) Chapter 1; Gangjee, *Relocating the law of geographical indications*.

[3] A. Zappalaglio, 'Sui Generis, Bureaucratic and Based on Origin: A snapshot of the nature of EU Geographical Indications' in A. Kamperman-Sanders, A. Moerland (eds.), IP as a Complex Adaptive System: its Role in the Innovation Society, (Edward Edgar Publishing, forthcoming).

[4] For the relevant legislation, see 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] L343/1; Council Regulation (EC) No. 491/2009 of 25 May 2009 amending Regulation (EC) No 1234/2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single Common Market Organisation Regulation); Regulation EU No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products (Wine Regulation); Regulation (EU) 2019/787 of the European Parliament and of the Council of 17 April 2019 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 (EC) No 110/2008 (Spirits Regulation); Regulation (EU) No 251/2014 of the European Parliament and of the Council of 26 February 2014 on the definition, description, presentation, labelling and the protection of geographical indications of aromatised wine products and repealing Council Regulation (EEC) No 1601/91.
For an overview of the EU *sui generis* GI system, see M. Blakeney, *The protection of geographical indications: law and practice* , Second edition ed. (Edward Elgar, 2019).

[5] European Commission, 'EU-wide protection of geographical indications for non-agricultural products' <https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12778-EU-wide-protection-of-geographical-indications-for-non-agricultural-products_en>.

[6] For an extensive analysis on the nature and functioning of these quality schemes, see Zappalaglio, *The transformation of EU geographical indications law*.

[7] J. Hughes, 'The limited promise of Geographical Indications for farmers in Developing Countries' in I. Calboli, W. L. Ng-Loy (eds.), Geographical Indications at the crossroads of trade development and culture, (Cambridge University Press, 2017).

[8] For the recent example of Russia, see A. Zappalaglio and E. Mikheeva, 'The new Russian Law of Geographical Indications: a critical assessment' (2021) 16 *Journal Of Intellectual Property Law and Practice* 368. Also the People's Republic of China has introduced a sui generis GI system modeled on the EU/French one, see Haiyan Zheng, 'A Unique Type of Cocktail: Protection of Geographical Indications in China' in I. Calboli, W. L. Ng-Loy (eds.), Geographical Indications at the crossroads of trade development and culture, (Cambridge University Press, 2017).

€ and that granted producers a value premium of 2.07. This means that the sales value of GI products was on average 2.07 times higher than that for comparable standard goods not bearing a GI label.[9]

In the EU, *sui generis* GIs are generally considered as an Intellectual Property Right (IPR) capable of achieving various non-market-related functions. For instance, the Preamble of Regulation 1151/2012 on agricultural products and foodstuffs states that GIs are, among the other things, necessary to: (1) keep traditions alive; (2) sustain niche producers by rewarding their efforts and (3) foster rural development.[10] The scholarly literature has investigated various aspects of this subject related to these policy objectives. Among the others, it is possible to mention contributions on the nature and functions of GIs;[11] on the functioning of producers' collective organisations;[12] on the evolution of the products' specifications;[13] on the role that public authorities play in their protection[14] and on the potential of the GI quality schemes to foster rural development.[15]

Something that appears less often in the academic literature is a discussion on the market-related aspects of GIs, however. For instance, on how these labels protect and foster the investment of the producers by defending their goods from unfair and misleading practices while contributing to their promotion.[16] This partial gap in the literature can be explained by the fact that GIs are traditionally considered as a form of shared right that, unlike Trade Marks, does not have specific owners but only 'users' or 'beneficiaries'.[17] It is also argued that this IPR does not create a true property right on an immaterial asset, rather it consists in the recognition of a 'state of fact', i.e. that a product is exclusively or inherently linked to an area and not to another due to specific qualitative/physical or reputational elements.[18]

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[9] European Commission. Directorate General for Agriculture and Rural Development., *Study on economic value of EU quality schemes, geographical indications (GIs) and traditional specialities guaranteed (TSGs): final report.* (Publications Office, 2021) 101-102.

[10] Regulation 1151/2012, Recitals 1-4.

[11] E. Barham, '"Translating terroir" revisited: the global challenge of French AOC labeling' in D. Gangjee (ed.), Research handbook on intellectual property and geographical indications, (Northampton, MA: Edward Elgar Pub, 2016).

[12] G. Belletti and A. Marescotti, 'Geographical Indications, Public Goods and Sustainable Development: The Roles of Actors' Strategies and Public Policies' (2017) 98 *World Development* 45; X. F. Quiñones-Ruiz, M. Penker, G. Belletti, A. Marescotti, and S. Scaramuzzi, 'Why early collective action pays off: evidence from setting Protected Geographical Indications' (2017) 32 *Renewable Agriculture and Food Systems* 179–92; X. F. Quinones-Ruiz, M. Penker, G. Belletti, A. Marescotti, S. Scaramuzzi, E. Barzini, M. Pircher, F. Leitgeb, and L. F. Samper-Gertner, 'Insights into the black box of collective efforts for the registration of Geographical Indications' (2016) 57 *Land Use Policy* 103.

[13] A. Marescotti, X. F. Quiñones-Ruiz, H. Edelmann, G. Belletti, K. Broscha, C. Altenbuchner, M. Penker, and S. Scaramuzzi, 'Are Protected Geographical Indications Evolving Due to Environmentally Related Justifications? An Analysis of Amendments in the Fruit and Vegetable Sector in the European Union' (2020) 12 *Sustainability* 3571; X. F. Quiñones Ruiz, H. Forster, M. Penker, G. Belletti, A. Marescotti, S. Scaramuzzi, K. Broscha, M. Braito, and C. Altenbuchner, 'How are food Geographical Indications evolving? – An analysis of EU GI amendments' (2018) 120 *British Food Journal* 1876–87.

[14] D. Marie-Vivien, L. Bérard, J.-P. Boutonnet, and F. Casabianca, 'Are French Geographical Indications Losing Their Soul? Analysing Recent Developments in the Governance of the Link to the Origin in France' (2017) 98 *World Development* 25.

[15] G. Belletti, A. Marescotti, and A. Brazzini, 'Old World Case Study: The Role of Protected Geographical Indications to Foster Rural Development Dynamics: The Case of Sorana Bean PGI' in W. van Caenegem, J. Cleary (eds.), The importance of place: Geographical Indications as a Tool for Local and Regional Development, (Springer, 2017); D. Barjolle, 'Geographical Indications and protected designations of origin: intellectual property tools for rural development objectives' in D. Gangjee (ed.), Research handbook on intellectual property and geographical indications, (Northampton, MA: Edward Elgar Pub, 2016).

[16] Despite these are also explicitly listed among the policy objectives of the EU *sui generis* GI system. See, as an example, Regulation 1151/2012, Preamble recitals 3 and 5.

[17] For a summary the differences between *sui generis* GIs and Trade Marks, see FAO&SINER-GI, *Linking people, places and products: A guide for promoting quality linked to geographical origin and sustainable Geographical Indications* , 2nd ed. (FAO, 2010) 153.

[18] L. Lorvellec, 'You've Got to Fight for Your Right to Party: A Response to Professor Jim Chen' (1996) 5 *Minnesota Journal of Global Trade* 65.

This narrative is correct. It is only part of the story, however. GIs are in fact an Intellectual Property Right (IPR) that is (1) non-creative; (2) characterised by a significant level of private and public investment and that (3) enjoys a strong level of protection when compared with other IPRs such as Trade Marks. As to the first point, EU *sui generis* GIs are labels established by law that protect 'names' of geographical areas. They cannot be fancy, they cannot be creative and, at least theoretically, they are finite in number.[19] Second, GIs are also relevant marketing tools.[20] Indeed, in the practice, the major groups of producers – the market of EU GIs is actually dominated by a limited number of high sales product such as French and Italian wines and cheeses, spirits such as Cognac and Whisky plus other goods such as Parma Ham – invest considerable resources in marketing and promotion.[21] Third, the EU *sui generis* GI system provides a high level of protection, to some extent stronger than that of Trade Marks Law, that contributes to protect and reward the investment of GI beneficiaries. This is granted not just by the relevant rules as interpreted by the Court of Justice of the EU (CJEU), but also by a complex system of public/private controls and other measures.

This Chapter will particularly discuss how GIs protect the investments of their beneficiaries by analysing three peculiar features of this regime. In particular, the work will focus on: (1) the concept of 'evocation'; (2) the rules that regulate the relationship between GIs and Trade Marks; (3) the peculiar private/public system of quality checks, monitoring and enforcement that characterises this system.

1. Evocation

The concept of evocation remains, after more than 20 years of evolution, to some extent unclear and lively debated. It has been part of the EU *sui generis* GI system from very beginning[22] and today, it can be found in all the main EU sets of GIs rules. For instance, Regulation 1151/2012 at art 13 reads:

> 1. Registered names shall be protected against
> (…)
> (b) any misuse, imitation or *evocation*, even if the true origin of the products or services is indicated of if the protected name is translated or accompanied by an expression such as such as 'style', 'type', 'method', 'as produced in', 'imitation' or similar, including when those products are used as an ingredient.[23]

The concepts of 'misuse' and 'imitation' can be easily interpreted as references to deceptive practices and counterfeiting, which are also referenced under letters (c) and (d) of the abovementioned article. Instead, the concept of evocation has developed and expanded in something unprecedented that grants producers' groups a level of protection that an investment in a collective mark could hardly reach.

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[19] Fhima, in her contribution, rightfully points out that 'creativity' is not a specific trait of Trade Marks. The same concept applies to GIs. In this case, however, this is even more evident because users cannot in any way design the GI label and/or the name of the product.

[20] For some contributions on GIs as marketing tools and on consumers' behaviour applied to them, see A. Barska and J. Wojciechowska-Solis, 'Traditional and regional food as seen by consumers – research results: the case of Poland' (2018) 120 *British Food Journal* 1994–2004; A. Tregear, F. Arfini, G. Belletti, and A. Marescotti, 'Regional foods and rural development: The role of product qualification' (2007) 23 *Journal of Rural Studies* 12–22.

[21] Just to make a few examples, in 2021 the Consortium of the producers of 'Parmigiano Reggiano' cheese invested 26 million € in promotional activities in Italy and abroad; in 2019 the Consortium of the producers of 'Chianti' wine invested 1 million € to promote the good on the Japanese and Chinise markets; finally, the plots of land where Bordeaux wine is made attract a number of investors, especially from China, thus representing a business worth millions. See, 'Parmigiano Reggiano: l'Assemblea approva il bilancio preventive 2021' (Consorzio Parmigiano Reggiano, 15 December 2020) <https://www.parmigianoreggiano.com/it/news/parmigiano-reggiano-assemblea-approva-bilancio-preventivo-2021/>; Firenze Today, 'Vino, il Consorzio del Chianti: "Pronti a investire 1 milione di euro' (24 April 2018) <https://www.firenzetoday.it/economia/vino-chianti-consorzio.-investimenti-html>; Winelist 'Purquoi les chinois fortunés investissent autant dans les vignobles de Bordeaux' (27 March 2021) <https://www.winalist.fr/blog/actualite-monde-du-vin/vignobles-de-bordeaux-investissement>.

[22] See, Council Regulation (EEC) No 2081/92 of 14 July 1992 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs, art 13.

[23] Emphasis added. Cf Regulation 1308/2013 (Wine Regulation), art 103(2)(b) and Regulation 2019/787 (Spirits Regulation), art 21(2)(b).

Indeed, this concept is nowhere to be found in all the international rules on Geographical Indications or Appellations of Origin. In particular, it appears neither under arts 22 and 23 of the TRIPs Agreement,[24] nor at art 3 of the Lisbon Agreement.[25] Furthermore, it is completely alien to the law and theory of Trade Marks, although some common traits exist, as it will be shown.

The EU rules on the protection of GIs do not provide any definition of 'evocation' or a test to establish it. Therefore, in order to discuss its nature and show the extent to which this purely continental European concept extends the level of protection granted to EU *sui generis* GIs, an analysis of the case law of the CJEU is necessary. The present contribution will carry out this assessment by dividing the evolution of evocation in three phases: early, intermediate and recent. Comments will be made on the most disputable decisions and, eventually, some general observations will be provided.[26]

The research will show that evocation has gradually expanded and that, today, even if its functioning reminds to some extent the approach of EU Law to the protection of marks with a reputation, it does not require proof of the fact that the product is actually well-known. Fhima, in her contribution to the present book, rightfully observes that the greater protection is granted to marks against unfair advantage, the greater protection is granted to investment as well.[27] The same concept applies to GIs. In this field, however, the beneficiaries do not have to prove that they have invested in building the reputation of their goods on the marketplace from which undue advantage can be taken. Hence, GIs are considered well-known *as such,* without the need of any investment. As a consequence, they *de facto* protect the mere investment in the production and in the quality of the product, regardless of the efforts devoted to promoting the goods on the market. It will be concluded that this approach is absolutely correct, as long as it does not become overly-broad.

1.1 Early phase: the first interpretation of the concept

The first decision where the CJEU discussed the concept of evocation was *Cambozola*.[28] In this case, an Austrian court, the *Handelsgericht Wien*, asked the CJEU whether stopping a producer from using the mark 'Cambozola' for a cheese constituted a measure having equivalent effect to a quantitative restriction to the free movement of goods, especially considering that the origin of the product was indicated on the packaging.

The CJEU, following the opinion of the Advocate General (AG), held that 'evocation':

> covers a situation where the term used to designate a product incorporates part of a protected designation, so that when the consumer is confronted with the name of the product, the image triggered in his mind is that of the product whose designation is protected.[29]

The idea of evocation as an 'image-triggering' use of a term by the defendant became the standard way to define this concept, as the following case law will show.

The CJEU also added that this assessment does not depend on the likelihood of confusion that the contested sign may cause,[30] thus rejecting the interpretation of the defendant according to which no evocation could be

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[24] Agreement on the Trade-related Aspects of Intellectual Property Rights (1 January 1995), arts 22 and 23 <https://www.wto.org/english/docs_e/legal_e/trips_e.htm#art22>.
[25] Lisbon Agreement for the Protection of Appellations of Origin and their International Registration (as amended on September 28, 1979) <https://wipolex.wipo.int/en/text/285838>.

[26] For some scholarly opinions, see V. Zafrilla Díaz-Marta and A. Kyrylenko, 'The ever-growing scope of Geographical Indications' evocation: from *Gorgonzola* to *Morbier*' (2021) 16 *Journal of Intellectual Property Law & Practice* 442–49; M. Verbeeren and O. Vrins, 'The protection of PDOs and PGIs against evocation: a "Grand Cru" in the CJEU's cellar?' (2021) 16 *Journal of Intellectual Property Law & Practice* 316–30 and V. Rubino, 'From "Cambozola" to "Toscoro": The Difficult Distinction between "Evocation" of a Protected Geographical Indication, "Product Affinity" and Misleading Commercial Practices' (2018) 4 *EFFL* 326.
[27] See, Fhima …
[28] *Consorzio per la tutela del formaggio Gorgonzola* [1999] Case C-87/97 (Cambozola).
[29] Ibid, [25].
[30] Ibid, [26].

established in case the sign generated a mere association between the two products irrelevant under the normal EU standards in the field of marks.

In this regard, it is the case to remind that EU Trade Marks Law features three infringement scenarios: (1) 'double identicality', i.e. use a sign which is identical to a mark for the same products; (2) the use of identical or similar signs for identical or similar products if this causes likelihood of confusion; (3) the use of a sign similar to a mark which enjoys a reputation, regardless of the nature of the goods, when the defendant takes unfair advantage of the repute of the trade mark, or dilutes or tarnishes the latter.[31] As it will be shown below, although the protection of GIs against evocation is substantially *sui generis*, it seems that the CJEU based part of its reasoning on the latter scenario, i.e. protection of well-known brands.

This can be seen in *Parmesan*.[32] In this case, the Commission asked the German authorities to end the commercialization in Germany of products designated as 'Parmesan' but which did not comply with the specification of the famous Italian cheese 'Parmigiano Reggiano PDO'. Germany replied that the name 'Parmesan' was generic and that it was a mere translation. The CJEU found that the name was not a true translation and that, applying *Cambozola*, a mere 'conceptual proximity' sufficed to find evocation even without the presence of likelihood of confusion.[33] However, the Court also added that there were '(…) phonetic and visual similarities between the names "Parmesan" and "Parmigiano Reggiano"', and that both products were hard cheeses, grated or intended to be grated and with a similar appearance.[34]

Hence, in this early phase, the CJEU defined evocation as the potential for a name to trigger in consumers' minds an association with a GI good. Furthermore, although it was made clear that the likelihood of confusion test does not apply in this context, the Court still seemed to consider it impliedly. For instance, in *Parmesan* it was held that, although confusion plays no role in this scenario, there were however similarities in the products that contributed to the decision.[35]

1.2 Intermediate phase

1.2.1 Development of the rationale of evocation: protection against unfair advantage and parasitic behaviour

In *Cognac,*[36] the French association of Cognac producers (*Bureau national interprofessionnel du Cognac*) challenged the registration of some Finnish marks, including, (1) 'Konjakit [Cognacs]' and (2) 'liqueurs containing "konjakki"' before the Finnish Supreme Administrative Court.

With regard to evocation, the Court cited the definition provided in *Cambozola* and *Parmesan*.[37] It added, however, an important observation:

> [The rules on the protection of Spirits GIs] refer to various situations in which the marketing of a product is accompanied by an explicit or implicit reference to a geographic indication in circumstances liable to mislead the public as to the origin of the product or, at the very least, to set in train in the mind of the public an association of ideas regarding that origin, or to enable the trader to *take unfair advantage of the reputation of the geographical indication concerned*.[38]

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[31] See, Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trade marks, art 10 and Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark, art 9(2).
[32] *Commission of the European Communities v Germany* [2008] Case C-132/05 (Parmesan).
[33] Ibid, [45]-[48].
[34] Ibid, [46].
[35] Indeed, the leading CJEU case on this issue states that likelihood of confusion must be appreciated globally, taken into account all relevant factors such as any 'visual, aural or conceptual similarity'. See *Sabel BV v Puma AG* (C-251/95), [1998] R.P.C. 199 (1997) 223-224.
impression given by the marks, bearing in mind, in particular, their distinctive and dominant components.
[36] Bureau National Interprofessionnel du Cognac [2011] Joined Cases C-4/10 & C-27/10 (Cognac).
[37] Ibid, [56].
[38] Ibid, [46]. Emphasis added.

Therefore, in this decision, the CJEU clarified the rationale behind the concept of evocation by adopting the paradigm of 'taking unfair advantage of the reputation of the GI' as compass, thus continuing to mimic, to some extent, the model of protection granted in the EU to well-known brands briefly outlined in the previous section.

The same concept was better explored in *Verlados.*[39] This case concerned the validity of the use of the name 'Verlados' by Viiniverla Oy, a Finnish company for a Finnish cider spirit. In particular, the EU Commission asked the Finnish authorities to verify the compatibility of said name with the GI 'Calvados'. The decision is extremely important as it clarified various elements of the nature of evocation and how to establish it. In particular, the Finnish Market Court (*Markkinaoikeus*) asked (1) whether in assessing evocation reference should be made to the point of view of the average consumer reasonably informed, observant and circumspect and (2) whether some facts concerning the status of the product 'Verlados' had to be taken into account. In particular, it stated:

> (a) the first part of the name Verlados, Verla, is a village in Finland whose name may be recognised by Finnish consumers; (b) the first part of the name Verlados, Verla, refers to the producer of Verlados, Viiniverla Oy; (c) Verlados is a local product produced in Verla village of which a few hundred litres on average are sold each year in the winery's own restaurant and a limited amount by order from the State owned alcohol business referred to in the Law on alcohol; (d) the words Verlados and Calvados have only one syllable in common ("dos") out of three, although the last four letters ("ados") of the words, that is, half of the total number of letter in each word, are identical (…)[40]

The CJEU replied to these points, and in particular to the justificatory arguments put forward by the Finnish Court as follows. First, the relevant point of view is that of the *European* average consumer, not the Finnish one. Therefore, there is evocation if the former and not the latter may be led to associate in his/her mind the two names.[41] Second, one must take into consideration the phonetic and visual relationship between the names as well as any evidence that may show that such a relationship is not fortuitous.[42] Finally, the Court applied *Cognac* and held that likelihood of confusion is not an applicable test here, as what matters is that 'there is not created in the mind of the public an association of ideas regarding the origin of the products, and that a trader does not take undue advantage of the reputation of the protected geographical indication'.[43]

Therefore, in this middle phase, the *Cognac* and *Verlados* cases, shaped the justificatory rationale of the concept of evocation. In particular, it was explicitly described as a tool to prevent a producer from taking unfair/undue advantage from the reputation of a GI. Furthermore, the CJEU began to clarify the test for evocation, stating that it is based on elements such as (1) the possibility of the name to recall in the minds of consumers the GI; (2) aural, visual similarities between the names; (3) proximity of the product; (4) alleged bad faith of the producer in the choice of the name.

Hence, during this intermediate phase, evocation can still be described as based on a peculiar mix between the EU rules for the protection for well-known brands coupled with some elements that are typical of the EU Trade Marks Law's likelihood of confusion test, i.e. aural, visual and/or conceptual similarities, plus similarity of products. This approach was counterbalanced, however, by two decisions that clarified when evocation cannot be found. These are presented below.

1.2.2 Limiting evocation: no association and legitimate interest

[39] *Viiniverla Oy v Sosiaali- ja terveysalan lupa- ja valvontavirasto* [2016] Case C-75/15. For a case note, see N. Coppola, 'Viiniverla: too much "ado" about nothing' (2016) 11 *Journal of Intellectual Property Law & Practice* 406–8.
[40] Ibid, [16].
[41] *Viiniverla Oy v Sosiaali- ja terveysalan lupa- ja valvontavirasto*, [48].
[42] Ibid, [48]. The last statement is relevant because it was considered that the producer had added the suffix -dos to the name of the product in order to create an association with 'Calvados', see ibid, [40].
[43] Ibid, [45].

Port Charlotte was the first evocation case – and indeed one of the few - where the CJEU did not find infringement.[44] The dispute concerned invalidity proceedings brought against the proprietor of the trade mark 'Port Charlotte' for a brand of whisky on the ground that the mark allegedly infringed the Portuguese wine PDO 'Port'.

The AG, in his opinion, advised the Court to find infringement because: (1) EU law prevented other producers from using the name 'Port'; (2) the exploitation of said name constituted an unfair advantage; (3) the PDO could have been diluted; (4) the likelihood of confusion test did not apply in this context.[45] The CJEU, however, did not follow this opinion. First of all, the Court restated once again the general concept of evocation as an 'image triggering' operation capable of generating in the minds of consumers an association between the sign of the defendant and the GI, regardless of likelihood of confusion.[46] Yet the Court held that in this case no association occurred. In fact, even though the term 'Port' formed an integral part of the contested mark, the average consumer with knowledge of English or Romance languages would not have associated it with 'Port Charlotte' which *per se* simply means 'harbour named after a person called Charlotte'.[47] In other words, here, 'port' is used as nothing but a noun that means 'place where ships can load'. Furthermore, the Court observed that the differences between whisky and Port wine are extremely evident to consumers.[48] Hence, on these grounds the case was dismissed.

Another case where the CJEU clarified the limits of evocation was *Champagner Sorbet*.[49] Here, a supermarket began to sell in Germany a sorbet, distributed under the name 'Champagner Sorbet', that contained, among its ingredients, 12% champagne. Thus, the association of producers of Champagne (*Comité Interprofessionnel*) sued the supermarket, considering the use of the word 'Champagner' an infringement.

In its decision, first, the Court addressed the question as to whether the use of the name 'Champagne' constituted an exploitation of the reputation of the PDO. It came to the conclusion that this had to be considered the case only if the foodstuff '*does not* have, as one of its essential characteristics, a taste attributable primarily to the presence of that ingredient'.[50] Next, turning to the issue of evocation, the Court held that, although the defendant was clearly referring to 'Champagne PDO', in this case this did not constitute an infringement. In particular, it was held that:

> By incorporating in the name of the foodstuff in question the name of the ingredient protected by a PDO, direct use is made of the PDO to claim openly a gustatory quality connected with it, which does not amount to misuse, imitation or evocation. [The concept of evocation] covers, inter alia, a situation where the term used to designate a product incorporates part of a protected designation, so that when the consumer is confronted with the name of the product, the image triggered in his mind is that of the product whose designation is protected. The incorporation of the name of the PDO in its entirety in that of the foodstuff concerned to indicate the taste of the foodstuff does not, therefore, correspond to that situation.[51]

Therefore, the reference to 'Champagne PDO' was here justified by the legitimate interest in informing consumers about the distinctive features of the product. This is an interesting decision because it shows that despite the fact that the product of the defendant - the sorbet - definitely benefited from the reputation of the name Champagne, and, therefore, following *Cognac* and *Verlados*, could have been seen as an unfair advantage taken by the producers, the Court considered its use justified. Indeed, as the use of Champagne as an ingredient is not unlawful per se, so the indication that such product is used cannot constitute evocation either.

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[44] *EUIPO v Instituto dos Vinhos do Douro e do Porto* [2017] Case C-56/16P.
[45] *EUIPO v Instituto dos Vinhos do Douro e do Porto,* Opinion of Advocate General Campos Sánchez-Bordona (18 May 2017) [81], [88], [90].
[46] *EUIPO v Instituto dos Vinhos do Douro e do Porto* [2017] Case C-56/16P, [122]-[123].
[47] Ibid, [55], [124].
[48] Ibid, [125].
[49] *Comité Interprofessionnel du Vin de Champagne v Aldi Süd Dienstleistungs-GmbH G* (2017) Case C-393/16.
[50] Ibid [53].
[51] Ibid, [57]-[58].

In conclusion, in this intermediate phase the CJEU did an important work on clarifying the rationale of the evocation but also on limiting to some extent its scope. However, recently, some decisions of the Court have shown a clear will to expand the boundaries of this concept leading to a considerable expansion of it. This will be discussed in the next subsection.

1.3 Recent phase: over-expansion?

In this section, the analysis will focus on the most recent cases decided by the CJEU on the issue of evocation. Three of these, *Queso Manchego*, *Morbier*, and *Champanillo* show a clear expansion of this concept. These cases will be discussed below in separate paragraphs due to their importance. A critical assessment will be carried out when necessary.

1.3.1 Scotch Whisky

The *Scotch Whisky*[52] case concerned the marketing in Germany of a German-made whisky under the name 'Glen-Buchendbach'. The Scotch Whisky Association contended that this amounted to evocation as the word 'glen', that means 'valley', is found in the names of many famous Scotch whiskies. The CJEU did not substantively change its opinion on the elements that give rise to evocation. However, these were presented in a more systematic way by clarifying that mere 'conceptual similarity' can also be a factor:

> (…) for the purpose of establishing that there is an "evocation" of a registered geographical indication, the referring court is required to determine whether, when the average European consumer who is reasonably well informed and reasonably observant and circumspect is confronted with the disputed designation, the image triggered directly in his mind is that of the product whose geographical indication is protected. In making that determination, the referring court, in the absence of (i) any phonetic and/or visual similarity between the disputed designation and the protected geographical indication and (ii) any partial incorporation of that indication in that designation, must take account of the *conceptual proximity*, if any, between the designation and the indication.[53]

Furthermore, the Court clarified in an important point of the decision that that the link created by the conceptual similarity must be 'clear and direct'.[54] The two most recent decisions on evocation, however, suggest that the CJEU may want to further expand the protection of GIs against evocation, thus leading to potentially disputable results.

1.3.2 *Queso Manchego*

In *Queso Manchego*,[55] a company established in the Spanish region of 'La Mancha' produced and marketed cheese applying illustrations associated with the famous literary character 'Don Quixote de La Mancha', to the labelling. The foundation responsible for managing and protecting the cheese 'Queso Manchego PDO' contended that the labelling constituted an unlawful evocation of the registered name and brought an action against the cheese company. The CJEU held that this can be considered an evocation since 'figurative signs may 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'.[56]

This decision, although extremely in favour of the beneficiaries of a GI, is disputable. Basically, the CJEU's reasoning is the following: since the GI product is called 'Queso Manchego PDO' and the defendant, based in the La Mancha, is using the image of a famous literary character associated with the same region, hence there is evocation. This case does not consider the fact that many traditional products are related to a specific local/regional imagery and that this often contributes, together with various other elements, to the creation of

[52] *Scotch Whisky Association v Klotz* [2018] Case C-44/17.
[53] Ibid, [56].
[54] Ibid, [53].
[55] *Fundación Consejo Regulador de la Denominación de Origen Protegida Queso Manchego* [2019] C-614/17. For a case note, see F. Capelli and B. Klaus, 'Protection of Geographic Indications and Designations of Origin in the Queso Manchego Case' (2019) 5 *EFFL* 453.
[56] Ibid, [22].

the essential or exclusive link that constitutes the foundation of a *sui generis* GI as an origin label.[57] However, the imagery itself should not be monopolised by the GI for at least two reasons: first, the use of the image of 'Don Quixote' on a cheese made in 'La Mancha' simply means that the product has something to do with that region, not with 'Queso Manchego PDO' specifically. The association that the CJEU considers present in this case is therefore extremely weak.

Second, and above all, the local imagery and characters that belong to the heritage of an area should be feely accessible to all as they usually pre-exist the GI good and would likely survive it if the production ever stopped for any reason.

Therefore, these elements are just not enough to create a 'clear and direct' association as required by *Scotch Whisky.* In other words, finding an association between the images used by the Defendant and the product 'Queso Manchego PDO' is as far-fetched as arguing that the use of the image of Robin Hood in the area of Sheffield or Nottingham might lead to the infringement of a hypothetical GI product produced in the same area.

1.3.3 *Morbier*

Morbier is another decision that illustrates how the CJEU is expanding the concept of evocation.[58] Technically, this case does not directly concern this topic as the Court did not apply art 13(1)(b) Regulation 1151/2012 but the even broader and more general art 13(1)(d) that reads: 'Registered names shall be protected against any other practice liable to mislead the consumer as to the true origin of the product.' However, the case is largely based on decisions such as *Queso Manchego, Scotch Whisky* and *Verlados.* Hence, it can be considered a variation on the theme of evocation.

In this case, the Association of Producers of 'Morbier' cheese sued a producer who was making a similar product. In particular, the cheese produced by the latter featured the same dark/blue line of ash in the middle of it.

Both at first instance and on appeal the French courts held that the conduct of the defendant did not constitute infringement. In particular, the Paris Court of Appeal (*Cour d'Appel de Paris*) held that: (1) GIs protect the names of the products and not their appearance; (2) reproducing the appearance of a product falls within the scope of the freedom of trade and industry; (3) the distinctive dark/blue line is the result of a traditional ancestral technique that is present in other cheeses.[59] The French Supreme Court (*Cour de Cassation*) stayed the proceedings and asked the CJEU whether under the EU GI law the presentation of a product, in particular the reproduction of the shape or the appearance which are characteristic of it, is capable of constituting an infringement.[60]

The Court replied that, first, art 13(1) Regulation 1151/2012, does not protect only the names of the GI products but can have a broader scope[61] and, second, that although GIs protect the names of the products, a PDO and the product covered by it are deeply intertwined as the very definition of PDO provided art 5(1)(b) of Regulation 1151/2012 suggests.[62] Therefore, the Court concluded that the protection provided to GIs is open-ended as Regulation 1151/2012 under art 13(1)(d) stipulates that GI products must be protected against 'any other practice liable to mislead the consumer'. In particular the CJEU came to the conclusion that:

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[57] Indeed, many specifications use historical and cultural elements to prove the existence of an origin link. For more on this point see Zappalaglio, *The transformation of EU geographical indications law,* Chapters 2 and 5.
[58] *Syndicat interprofessionnel de défense du fromage Morbier v Société Fromagère du Livradois SAS* [2020] Case C-490/19 (Morbier).
[59] Ibid, [15]-[16]. Today the dark/blue line does not have a technical function anymore but it is a mere distinctive characteristic of the product. This does not change the substance of our argument, however.
[60] Ibid, [20].
[61] Idid, [30].
[62] '(…) "designation of origin" is a name which identifies a product (…) whose quality or characteristics are essentially or exclusively due to a particular geographical environment with its inherent natural and human factors'.

> (…) article 13(1)(d) of Regulation No 1151/2012 must be interpreted as prohibiting the reproduction of the shape or appearance characterising a product covered by a registered name where that reproduction is liable to lead the [average European consumer] to believe that the product in question is covered by that registered name.[63]

One may propose a very narrow interpretation of this decision and state that this is only a case where a defendant imitated a distinctive feature of the claimant's product and that the CJEU simply decided protect the identity of the latter from free riding and blurring. This could be an acceptable conclusion. This is not what the Court seems have hold, however. In fact, from the citation above it emerges that the Court is ready to regularly apply art 13(1)(d) to the shapes and appearances of the products. This may not be a wise decision, however, because GIs are not Trade Marks.

Indeed, in a Trade Mark scenario, if the defendant has copied a part of the claimant's mark that is visually relevant, there can definitely be an argument in favour of likelihood of confusion. However, GIs are not signs arbitrarily designed by their users. Indeed, they are traditionally considered as portraits of a situation of fact.[64] Hence, GI goods, regardless of whether they are agricultural products, wines or spirits, are not as diverse as marks. How many shapes can a cheese have? How many colours? How many distinctive features? Furthermore, is it really possible to conclude that, from a GI perspective, a dark/blue line on a cheese, resulting, as observed by the Court of Appeal of Paris, from a well-known and not unique production technique, has acquired distinctiveness as if it was a mark?

These are all questions that are absent from the reasoning of the CJEU and that may open the door to a further expansion of the concept of evocation to protect elements such as the way in which a product is presented, all the way to the smell and taste of GI products. These decisions would certainly be welcomed by GI beneficiaries and their attorneys. One must reflect on the consequences of such choices, however. Indeed, as rightfully pointed out by Dev Gangjee, if decisions of this kind would have existed in the 1920'/30' probably today we would not have 'Prosecco PDO' or 'Cava PDO' because they are similar to Champagne as to colour, distinctive features – i.e. the bubbles - they are sold in similar bottles and so on.[65]

A second disputable point of this decision is represented by the simplistic equation that the Court makes between the object of protection of a GI and the elements that constitute the origin link. As mentioned above, the CJEU used the very definition of PDO to argue that the protection granted by this quality scheme is not limited to names but also, to some extent, to the products themselves as the two are closely linked. It is hard to agree with this interpretation, however, for at least two reasons. First, it overstretches the text of Regulation 1151/2012 since art 5 and art 13 state that GIs are names and that names are what is protected, respectively. By creating an overlap between the name, i.e. the GI in the proper sense, and product, the Court mixes the object of protection with the elements that compose the origin link for PDO, i.e. 'the quality or characteristics (…) essentially or exclusively due to a particular geographical environment with its inherent natural and human factor.' In fact, these are the elements on the basis of which PDO are granted. However, they cannot be relied on to conclude that a characteristic of the product must necessarily be protected, especially if it is the result of well-known production practices. Not to mention that an in-depth study of the amendments to GI specifications shows that many decisions made by producers concerning the description of the product are not always determined by their will to stick to a specific tradition but rather to perform better on the marketplace by offering to the consumers more variety as to cuts, packaging, presentation etc.[66]

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[63] *Morbier*, [41].

[64] For an excellent paper that describes the nature of GIs according to the traditional doctrine, see Lorvellec, 'You've Got to Fight for Your Right to Party: A Response to Professor Jim Chen'.

[65] D. Gangjee, 'Evocation? Don't even think about it' (Workshop on Geographical Indications for Wines in TRIPS and Free Trade Agreements, Monash University, 14 April 2021).

[66] A. Zappalaglio, 'Justifications and effects of the amendments: analysis of Class 1.2 PGI products' in A. Zappalaglio, F. Guerrieri, S. Carls, A. Gocci, *Overall assessment of the EU Law of Geographical Indications* (Max Planck Research Paper Series, 2021).

Therefore, if this decision will not be interpreted narrowly, as one case concerning a very specific product with a very specific distinctive feature, it could be an open gate to the overprotection of EU GIs with potential anti-competitive effects.

1.3.4 *Champanillo*

Art 103(2)(b) Regulation 1308/2013, as well as art 13(b) Regulation 1151/2012, stipulates that wine GIs are protected, among the other things, against 'any misuse, imitation or evocation, even if the true origin of the product or *service* is indicated (…).[67]' Hence, letter b – an letter b only – extends the concept of evocation also to protect registered indications from services bearing a similar name. This article has been applied in the *Champanillo* case.[68]

Here, the association of producers of Champagne brought an action against the owner of some tapas bars bearing the trade name 'Champanillo'. This is a reference to Champagne wine which in Spanish is spelled 'Champán'. Furthermore, these bars used the image of two coupes of wine with a red liquid in it to advertise the premises. Is this a case of evocation ex art 103(2)(b) Regulation 1308/2013, which corresponds to art 13(b) Regulation 1151/2012? The CJEU, as it was predictable, answered in the positive.

First of all, the Court held that art 103(2)(b) Regulation 1308/2013 protects GIs from both goods *and* services.[69] Second, it has been stated that the name of a service does not need to be confusingly similar to that of the GI. The fact that the former triggers in the mind of the average EU consumer the image of the latter is enough.[70] These two findings are not surprising. Indeed, the first simply confirms the text of the provision at hand whereas the second merely applies a general principle of evocation to services. The third key point of the CJEU's decision is more interesting, instead. In fact, the Court held that art 103(2)(b) Regulation 1308/2013 applies even when no act of unfair competition can be detected.[71] Thus, evocation is an objective and standalone concept that subsists regardless of the actual conduct of the Defendant.

At this point, the key question is: is it expedient to prevent some tapas bars from adopting the name Champanillo? In particular, the expression 'Champanillo' – 'little champagne' - is an informal expression that can suit a bar and that can be found in other languages. For instance, in Italian, ways of saying such as *Champagnino* and *Prosecchino* are frequent and are used as friendly expressions to indicate a shot of sparkling wine, be it Champagne or Prosecco. Furthermore, the fact that the bars dispayed the image of two coupes of wine is hardly surprising or deceptive. Can the expression 'Champanillo' truly trigger in the minds of the average EU consumer the image of 'Champagne PDO' rather than that of a place where wine and other drinks can be consumed? And, can it do so even in the absence of a misleading conduct by the Defendant? The answer of the CJEU is all but surprising. However, one might wonder how further the protection from evocation can be stretched in the future.

1.4 Observations on the concept of 'evocation'

In the previous section, the paper conducted a critical assessment of the evolution of the EU case law on the peculiar concept of 'evocation'. This has been developed by the CJEU for more than 20 years as a tool to prevent practices capable of unduly triggering in the mind of the average European consumer the image of a GI product. This concept is justified by the need to prevent behaviours that can parasitically exploit and take undue advantage of the reputation of a protected good.

The high level of protection granted to GIs by the means of evocation has been devised gradually by a line of cases, starting from *Cambozola* and ending with *Scotch Whisky*, with which it is overall possible to agree. Generally speaking, this reminds the EU system for the protection of trade marks with a reputation that: (1)

[67] Emphasis added.
[68] *Comité Interprofessinel du Vin de Champagne v GB*, Case C-783/19 (still unpublished in English, 9 September 2021).
[69] Ibid, [52].
[70] Ibid, [66].
[71] Ibid, [70].

applies regardless of the presence of likelihood of confusion; (2) does not include the similarity of goods as part of the test; (3) prevents conducts such as free riding as well as others that can dilute or tarnish the reputation of the mark. However, as mentioned at the beginning of this analysis, there is a decisive difference. In fact, contrary to trade marks, the test for evocation does not require to assess whether the GI product actually enjoys a 'reputation'. Hence, the latter is protected as such, without the need to invest in the promotion of the name of the market. It follows, that, as a matter of fact, GIs protect the mere economic effort put in the production of the product, regardless of its fame.

Later, in *Queso Manchego* and *Morbier,* the CJEU has expanded the scope of evocation by adopting a notion of conceptual similarity/association that is excessively broad, in the first case, and almost acontextual in the second. This contradicts, at least in part, decisions such as *Scotch Whisky* where it was stated that such connection must be sufficiently clear and direct. Finally, in *Champanillo*, the Court held that the absence of unfair practices does not prevent the finding of evocation. Again, this contributes to shape evocation as an absolute concept.

The result of this case law may lead to disputable results for at least three reasons: (1) evocation has become a test that, because of its broad, abstract and acontextual nature, will almost always favour the claimant. Indeed, the *Verlados* case shows how weak in these contexts possible justificatory arguments can be. Furthermore, the CJEU has never clarified what possible defences may be available to a defendant; (2) the adoption of the 'average EU consumer' as point of view for the assessment is ambiguous. As the case law shows, it can be used to find infringement either in cases such as *Verlados* where no evocation can occur at local level and in *Morbier,* where an association between the contested product and the GI may exist at national level but probably not at EU level; (3) finally, such a broad interpretation of the concept of evocation undermines the text of art 13(1) Regulation 1151/2012 and of its equivalents in the other EU GI regulations. For instance, it is now hard to understand what function art 13(1)(a) could play in the future as a large part of the rules on GI protection seems to have been absorbed by evocation.[72]

In conclusion, evocation is a broad concept that characterises the EU *sui generis* GI system. Despite being at least partially inspired by Trade Mark law, it remains overall alien to it. It is the concept that shows best how the CJEU is determined to protect this IPR as intensively as possible. Hence, even if this issue generates some concerns related to competition and freedom of enterprise, it remains a formidable tool to protect GIs, especially those that are well known, together with the effort and investment of its users.

2. GIs and their relationship with Trade Marks

Evocation is not the only peculiarity of EU *sui generis* GIs that make them a strong tool to reward the investments of the beneficiaries. In fact, GIs enjoy a significant level of protection and primacy against trade marks whose application is subsequent to their granting. Although these general principles apply to all the GI regimes protected in the EU, some differences exist. Hence, the paper will focus its analysis on agrifood and then complete the assessment providing additional comments on wines and spirits specifically.

2.1 The relationship between agrifood GIs and Trade Marks

Art 14 Regulation 1151/2012, regulates the relationship between trade marks and GIs for agricultural products and foodstuffs by making a fundamental distinction between marks that have been registered after or before the GI. Particularly, paragraph 1 of this article regulates the first scenario as follows:

> 1. … the registration of a trade mark the use of which would contravene Article 13(1) and which relates to a product of the same type shall be refused if the application for registration of the trade mark is submitted after the date of submission of the registration application in respect of the designation of origin or the geographical indication to the Commission.

[72] 'Registered names shall be protected against any direct or indirect commercial use of a registered name in respect of products not covered by the registration where those products are comparable to the products registered under that name or where using the name exploits the reputation of the protected name, including when those products are used as an ingredient.'

> Trade marks registered in breach of the first subparagraph shall be invalidated.
> The provisions of this paragraph shall apply notwithstanding the provisions of [the Trade Marks Directive][73]

Hence, this provision identifies two possibilities, one that leads to the refusal of the trade mark application and one to its revocation. The conditions to trigger this rule are not completely clear, however. In fact, the abovementioned article stipulates that the invalidation or revocation takes place when the use of the mark (1) would contravene art 13(1) Regulation 1151/2012 and (2) relates to a product of the same type.

The second point raises some questions especially concerning the scope of the provision. For example, if a hypothetical service, e.g. a restaurant, was called 'Parmigiano', would art 14(1) apply because the name of the latter is connected with that of a GI product or not, considering that a restaurant and a cheese are definitely not product/services of the same type? These inconsistences aside, in the practice, many of these problems are directly solved by Trade Marks Law. Indeed, an application for a mark that conflicts with an earlier GI will likely fail either under absolute or relative grounds for refusal.[74]

As to marks registered before the GI application, art 14(2) stipulates that:

> Without prejudice to Article 6(4), a trade mark the use of which contravenes Article 13(1) which has been applied for, registered, or established by use if that possibility is provided for by the legislation concerned, in good faith within the territory of the Union, before the date on which the application for protection of the designation of origin or geographical indication is submitted to the Commission, *may continue to be used and renewed for that product notwithstanding the registration of a designation of origin or geographical indication* (…). In such cases, the use of the protected designation of origin or protected geographical indication shall be permitted as well as use of the relevant trade marks.[75]

In this case, the Regulation has adopted the solution of co-existence between the earlier mark and the GI. Instead, the mark prevails on the GI only if it enjoys a reputation on the marketplace. This is specifically stated under art 6(4):

> 4. A name proposed for registration as a designation of origin or geographical indication shall not be registered where, in the light of a trade mark's reputation and renown and the length of time it has been used, registration of the name proposed as the designation of origin or geographical indication would be liable to mislead the consumer as to the true identity of the product.

Hence, this provision separates the position of the owners of 'standard' marks, who must tolerate the presence of GIs, from that of the owners of well-known brands. However, it is not entirely clear how a GI can be 'liable to mislead the consumer as to the true identity of the product', especially considering that the main function of a GI is to highlight an origin link that should pre-exist the GI application itself whereas the main function of marks is to indicate commercial origin.

Finally, art 10(1)(c) suggests that also different names, not necessarily registered as marks, can prevail over later GIs. In fact, it reads:

> A reasoned statement of opposition (…) shall be admissible (…) if it shows that the registration of the name proposed would jeopardise the existence of an *entirely or partly identical name* or of a trade mark or *the existence of products* which have been legally on the market for at least five years preceding the date of the publication [of the application]

Unfortunately, however, there are little to no available sources that show how this provision would work in the practice.

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[73] Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trade marks (Trade Mark Directive).
[74] See, Trade Mark Directive, arts 4 and 5. Cf also Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark (EU Trade Mark Regulation) arts 7 and 8.
[75] Emphasis added.

2.2 The relationship between wine and spirits GIs and Trade Marks

Many of the observations presented in the previous subsection are applicable also to the relationship between trade marks, on one hand, and wine and spirits GIs, on the other.

As to the scenario of a conflict between trade marks and earlier GIs, the Wine Regulation appears less problematic than the wording of art 14(1) Regulation 1151/2012 discussed above. In fact, it stipulates that the trade mark application submitted after the registration of a GI must be refused, or the mark must be invalidated, if:

> (…) contains or consists of a protected designation of origin or a geographical indication which does not comply with the product specification concerned or the use of which falls under [the rules on the protection of GI Wines] and that relates to a product falling under one of the categories [of viticultural products provided under Annex VII Part II of the Regulation][76]

Hence, this provision applies to every mark that merely 'contains' the protected name and that creates a connection with any product that generically falls within the concept of 'wine' as defined by the Regulation itself. For instance, recently the EU Intellectual Property Office (EUIPO) refused the registration of the mark CHAMPAWS for 'pet beverages'. Indeed, it was found that the product evocated the GI 'Champagne', despite the evident differences between the goods.[77] The Spirits Regulation is even clearer as it simply states that:

> The registration of a trade mark the use of which corresponds or would correspond to [an act against which GIs are protected] shall be refused or invalidated.[78]

Finally, with regard to signs registered or established by use before the date of application of the GI, the Wines and Spirits regulations adopt the same solution as Regulation 1151/2012. Thus, the pre-existing marks without reputation will coexist with the GI, whereas well-known brands will prevail over the latter, thus preventing its registration.[79]

In conclusion, the rules on the relationship between Trade Marks and GIs confirm how powerful the latter are in EU Law. Indeed, the date of application for the granting of a GI constitutes a crucial moment after which, as a general rule, no mark that may fall within the scope of the rules on GI protection can be registered. Hence, the beneficiaries of a GI, e.g. producers' associations, consortia etc…, will never have to worry about the possibility that a new mark may dilute the reputation of the GI or take unfair advantage of it, what is more even if they have never invested in it. Instead, the owners of marks pre-existing a GI are in a different position as their signs must co-exist with the latter, with the only exception of marks with a reputation that prevent the registration of latter GIs, thus confirming the strong status enjoyed by these signs in the EU Trade Marks Law.

3. Quality checks, monitoring and enforcement systems for GI protection

The last topic that is worth analysing to show how the peculiar nature of EU *sui generis* GIs benefits the investment of their beneficiaries is the system of quality checks, monitoring and enforcement for their protection. This is another point where EU GI law and Trade Marks law diverge significantly. In fact, in the latter field, the enforcement is entirely left to the private action of the owners. The former, instead, establishes a hybrid public/private system of protection aimed at providing, as much as possible, a uniform protection to GIs and, therefore, to their users, regardless of the economic resources that they can allocate to protect themselves. This means that, although the major consortia invest significative sums in enforcement, and many of them are equipped with in-house legal offices, in the EU *sui generis* GI regime the cost of monitoring and enforcement is also born by the public. This constitutes an advantage for the producers, especially the smallest ones, who do not have to allocate excessive resources to this end.

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[76] Regulation 1308/2013, art 102(1).
[77] EUIPO Opposition Division, Opposition No B 3 102 239 (21 December 2020).
[78] Regulation 2019/787, art 36(1).
[79] See Regulation 2019/787, arts 36(2) and 35(2); Regulation 1308/2013, art 102(2).

On the basis of this background, this last section will outline the monitoring and enformcement mechanisms in place in the EU by taking agrifood GIs as a model. In particular, art 13(3) Regulation 1151/2021 reads[80]:

> 3. Member States shall take appropriate administrative and judicial steps to prevent or stop the unlawful use of protected designations of origin and protected geographical indications (…) that are produced or marketed in that Member State.
> To that end Member States shall designate the authorities that are responsible for taking these steps in accordance with procedures determined by each individual Member State.

From this provision it emerges that every member state is free to choose how to ensure the protection of registered GIs in its own territory. This is indeed a good solution as in this way every country is free to decide how much to invest in GI monitoring and enforcement as well as in how to organize its domestic system. This largely depends on the strategic importance that these origin labels have in a country rather than in another. The downside of this, of course, consists in the fact that the scenario at EU level presents itself as very diverse. Indeed, countries where GIs are very relevant, such as Italy and France, have in place complex bureaucratic mechanisms for quality checks, monitoring and enforcement. Others, instead, generally with only few registered GIs, understandably do not dedicate so many resources to meet the requirements of art 13(3) Regulation 1151/2012.

In spite of the diversity of the scenario that characterises each EU member state, three broad phases can be identified: (1) the quality checks that ensure the respect of the specifications during the production of the product; (2) the monitoring of the marketplace to contrast fraud and counterfeiting; (3) enforcement. This last step includes the so-called '*ex officio* measures', i.e. actions that are conducted by public authorities without the need of any notification or other input by GI users. These are particularly interesting as they constitute the best example to show how strongly the investment and production of GI users is protected in the EU.

An exhaustive analysis of this vast topic is impossible to provide here. In fact, a complete assessment should include an investigation of the rules that are applied in every Member State and a focus on the role played by the relevant provisions of criminal law as well as the role of customs in each EU country. It should also be taken into account that the EU provides specific rules on the enforcement of IP at the borders.[81] Therefore, these pages just scratch the surface of this topic by presenting some features of the system in place in France, Italy and Germany, with a specific focus on the activities of the involved public bodies.[82]

3.1 France

France is characterized by an ad hoc authority, the *Institut National de l'Origine et de la Qualité* (INAO) that is the reference point for every phase of the life of an EU GI.[83]

During the production of a good, the INAO is in responsible for the organization of the controls. In order to do so, this authority approves and supervises independent control bodies that must have previously received an accreditation issued by a private agency, nominated by the French Government, called *Comité français d'accréditation* (COFRAC, French Accreditation Committee).[84] These control bodies perform the checks based on plans that they have previously devised. Each control plan details the conditions for verification of compliance with product specifications, which is carried out at all stages of the production. The frequency follows a pre-approved schedule. In some cases, laboratories approved by the INAO can be used. According

[80] For wines, cf Regulation 1306/2013, art 90 and, for aromatised wines, Regulation 251/2014, art 20(4).
[81] See, Regulation (EU) No 608/2013 of the European Parliament and of the Council of 12 June 2013 concerning customs enforcement of intellectual property rights.
[82] For a complete analysis of how monitoring and control is organized in each EU member state, see EUIPO, *Protection and Control of Geographical Indications for Agricultural Products in the EU Member States* (2017).
[83] Institut National de l'Origine et de la Qualité < https://www.inao.gouv.fr >.
[84] Comité français d'accréditation <www.cofrac.fr>.

to the available data, the system is extremely effective and ensures a uniform control of the manufacturing phase of the products.[85]

The monitoring of the market, instead, is carried out by the *Direction Générale de la Concurrence, de la Consommation et de la Répression des Fraudes* (the Directorate-General for Competition Policy, Consumer Affairs and Fraud Control, DGCCRF) and by its regional and departmental branches. The monitoring takes place pursuant to a national survey programme and verifies, among the other things: (1) the correctness of the information provided to consumers in every step of the production, distribution, importation, internet sales and more; (2) the compliance with the rules on labelling, certification etc…; (3) any unlawful use of the GI labels and (4) any other relevant anomaly.[86]

Finally, when it comes to *ex officio* protection, the INAO and the DGCCRF cooperate together, although performing different roles. In particular, the INAO is specifically in charge the protection of the GIs both in the internal and foreign markets and can take action against the counterfeiters. The mandate of the DGCCRF, instead, is more general and includes controls on the compliance with European and national rules on labelling, specifications, provisions on traceability as well as carrying out monitoring to identify any misleading or anyway unlawful use of the GI on the market.[87] It must also be noted that in the French system the producers' group play an essential role in the promotion and protection of the products.[88]

2.2 Italy

Unlike France, Italy does not have an *ad hoc* institution dedicated to GIs. It features, however, a department of the Ministry of Agriculture, the *Ispettorato Centrale della Tutela della Qualità e della Repressione Frodi dei prodotti agroalimentari* (Central Inspectorate for Quality Safeguarding and Anti-fraud of foodstuffs and agricultural products, ICQRF), that operates as central authority.[89]

In Italy, the control of the quality of the production is carried out by various control bodies, some private and some public, authorised by the Ministry of Agriculture and supervised by the ICQRF that is also competent for the approval of the control plans. Each producers group must name a control body to which the verification the quality of their goods will be delegated. Among the other things, these checks are aimed at ensuring the respect of the specifications and, in particular, that the products have the required quality features and organoleptic characteristics.[90]

As to the monitoring of the market, this is carried out by the consortia for the protection of a GI product and by the ICQRF. Indeed, just like in France, the former play an important role in the Italian system. These are associations of producers that can demonstrate to represent at least two-thirds of the production. They represent and contribute to the protection of all the producers even those that are not their members.[91] Because of their ability to represent a broad share of subjects, they are assigned different functions regarding the protection, promotion, enhancement, consumer information and the general care of GIs.[92] Regarding the monitoring of

[85] Ministère de l'Agriculture et de l'Alimentation, *Sécurité sanitaire: le plan national de contrôles officiels pluriannuel 2021-2025 (PNCOPA)* (2021) < https://agriculture.gouv.fr/securite-sanitaire-le-plan-national-de-controles-officiels-pluriannuel-2021-2025-pncopa>.
[86] For more details, see EUIPO, *Protection and Control of Geographical Indications for Agricultural Products in the EU Member States*, 201-202.
[87] Ibid, 205.
[88] For a list of the functions that a producers' group (*Organisme de Défense et de Gestion*) is expected to perform, see *Code de la Propriété Intellectuelle*, art L721-6 < https://www.legifrance.gouv.fr/codes/article_lc/LEGIARTI000031013055>.
[89] Ispettorato Centrale della Tutela della Qualità e della Repressione Frodi dei prodotti agroalimentari < https://www.politicheagricole.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPagina/394>.
[90] EUIPO, *Protection and Control of Geographical Indications for Agricultural Products in the EU Member States*, 205.
[91] For an overview of the criteria of representation in the Italian consortia operating in the agri-food sector see, Ministerial Decree of 12 April 2000. For the wine sector, see Ministerial Decree of 16 December 2010.
[92] For the agricultural sector, see *Legge* 526/1999, art 14 < https://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:legge:1999;526> .

the market, the consortia carry out regular checks aimed at identifying infringing activities both in the Italian and in the foreign markets. When one of this is identified, it is notified to the competent authority that, following its *ex officio* obligations, intervenes autonomously. As to the ICQRF, instead, its inspectors check whether the products that are put on the market comply with the quality standards declared by the producers and/or established by the specifications.[93]

Finally, the ICQRF is the authority in charge of carrying out the *ex officio* enforcement measures.[94] Its officers receive regular training to contrast GI infringement both on the national and the international markets, including the online platforms. Indeed, in order to ensure the effectiveness of the enforcement, the Italian Ministry of Agriculture has signed various agreements with the major ecommerce players to ensure the prompt removal from the web of contents capable of infringing GIs and/or to tarnish the Italian gastronomic heritage. The administrative procedures conducted by the ICQRF are generally triggered by notifications from producers, consumers, associations etc… and, according to the figures of the pre-covid era, thousands of controls were carried out on agricultural and wine GIs, with an average of 100 procedures started every year to stop infringing activities.[95]

2.3 Germany

In Germany, the competent authority at federal level is the *Bundesministerium der Justiz und für Verbraucherschutz* (Federal Ministry of Justice and Consumer Protection, BMJV), and more specifically the Trade Marks Office (*Deutsches Markenamt*) with the cooperation of the *Bundesministerium für Ernährung und Landwirtschaft* (Federal Ministry of Food and Agriculture, BMEL). The fact that in Germany, unlike France and Italy, GIs are administered by a body that is not the Ministry of Agriculture or another ad hoc institution is not uncommon.[96]

Furthermore, due to the federal structure of the German state, divided into 16 Länder, the monitoring of the production, such as the compliance with the specifications, is carried out by control bodies established at regional level, whose work is regulated directly by them and/or by other competent authorities established at *Länder* level.[97] With regard to the quality of the production and food security matters, yearly checks are carried out on the basis of a national control plan that involves both the Federal Government and the *Länder*.[98] Also the monitoring of the marketplace is managed independently by each *Land*.

Finally, with regard to the *ex officio* measures, generally speaking, these fall under the competence of the BMJV. However, the ministry generally delegates these duties to the individual *Länder* which, in turn, are free to involve private agencies to carry out the task.[99]

In conclusion, this section has shown how in the EU *sui generis* GI regime the cost of the monitoring and enforcement mechanisms that protect the indications from infringement and ensure the quality of the product is also born by the public and not just by the investments of the beneficiaries. This enhances the protection of the goods while allowing the producers, especially the smallest ones, to focus their resources on other areas of their business.

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[93] For more details on the activity of the ICQRF for the monitoring of the market, see EUIPO, *Protection and Control of Geographical Indications for Agricultural Products in the EU Member States,* 245.
[94] In the field of agricultural products, this role was explicitly given to it by art 16 of the Ministerial Decree of 14 October 2013 on the implementation of Regulation (EU) No 1151/2012.
[95] For more details, see EUIPO, *Protection and Control of Geographical Indications for Agricultural Products in the EU Member States,* 250.
[96] For an overview of the competent national authorities in the EU, see A. Zappalaglio, *The transformation of EU geographical indications law: the present, past, and future of the origin link* (Routledge, 2021) 166.
[97] Markengesetz, art 139(2).
[98] EUIPO, *Protection and Control of Geographical Indications for Agricultural Products in the EU Member States,* 69-70.
[99] Ibid, 71.

Conclusions

The present paper has contributed to the debate on the functions of intellectual property related to the protection of investments with a specific focus on GI law. This has been done by presenting 3 relevant peculiarities of the EU *sui generis* GI regime. These are: (1) the concept of evocation; (2) the rules on the relationship between trade marks and GIs and, as an outline, (3) the private/public organisation of quality checks, monitoring and enforcement measures to protect GI goods from fraud and counterfeiting.

It has been observed that, first, evocation, as developed by the recent case law of the CJEU, has provided a strong level of protection to GIs. In fact, this concept, alien to the law of Trade Marks, protects registered GIs from practices that trigger in the mind of consumers an association between the indication and another product. However, while in the realm of marks, protection against parasitic practices is granted to well-known brands, geographical names do not need to enjoy a demonstrable reputation on the market. Hence, evocation does not depend on the investment put on marketing and promotion but transcends it, thus allowing the producers of GI products to focus their resources on other activities.

Second, it has been shown that, under EU Law, the application for the registration of a GI constitutes a crucial turning point after which no related mark can be registered. By contrast, trade marks registered prior to the GI application must tolerate and coexist with the GI, with the only limited exception of well-known brands that can prevent the registration of the former. This ensures that GIs will be protected by marks that may dilute the strength of the geographical name. This is indeed noteworthy considering that, as mentioned earlier, first, GIs protect names that usually pre-exist the groups of producers that use them and that therefore are not the result of any creative or marketing-related effort. Second, similarly to the case of evocation, GIs are considered well-known *per se*, without the need to make any investment to enhance their reputation on the marketplace.

Finally, this chapter has shown that EU GIs benefit from a peculiar public/private system that transfers part of the costs of monitoring and enforcement on public bodies. This allows producers to invest as much as they can/want on the protection of their products, while, at the same time, keeping the small producers covered and therefore free to invest in other areas, for instance on the quality of their goods.

On the basis of the above, it can be concluded that in the EU, GIs are not only a tool used to foster rural development, preserve the gastronomic heritage and sustain communities in remote areas. In fact, they are also one of the best examples to show how Intellectual Property Law can be used as a tool to protect the investment and the efforts of the rightsholders. In particular, EU GI rules do not just reward the investment of producers but also replace it to some extent. For instance, unlike trade marks, they protect indications from parasitic practices even when they do not enjoy a strong reputation on the marketplace. Furthermore, they protect them from latter marks despite being non-creative and unfanciful names.