



HAL
open science

Protecting GIs through EU collective marks

Anke Moerland

► **To cite this version:**

Anke Moerland. Protecting GIs through EU collective marks. Worldwide Perspectives on Geographical Indications, Centre de Coopération Internationale en Recherche Agronomique pour le Développement [Cirad], Jul 2022, Montpellier, France. hal-03791619

HAL Id: hal-03791619

<https://hal.science/hal-03791619>

Submitted on 29 Sep 2022

HAL is a multi-disciplinary open access archive for the deposit and dissemination of scientific research documents, whether they are published or not. The documents may come from teaching and research institutions in France or abroad, or from public or private research centers.

L'archive ouverte pluridisciplinaire **HAL**, est destinée au dépôt et à la diffusion de documents scientifiques de niveau recherche, publiés ou non, émanant des établissements d'enseignement et de recherche français ou étrangers, des laboratoires publics ou privés.

Protecting GIs through EU collective marks

A. Moerland¹

Abstract – This paper focuses on whether the current EU collective mark system offers a viable alternative to protecting geographical indications through PDO and PGI protection. I argue that it currently does not as 1) it is not in compliance with the TRIPS Agreement, 2) it does not safeguard the representation of the interests of all producers, and 3) it does not offer protection against confusion as to geographical origin. Recommendations are made on how to address these.

Keywords – EU collective marks, Darjeeling case, applicant group, confusion against geographical origin

INTRODUCTION

On 13 April 2022, the draft legislative proposal of the European Commission on the protection of geographical indications (GIs) for craft and industrial products (EU Commission, 2022) has been published. With this, the European Union has moved a step closer to protecting GIs for non-agricultural products at EU level. Up until now and until the regulation will enter into force, one of the most designated systems to obtain protection for geographical indications for non-agricultural products at EU level is the EU collective mark system. But even with a sui generis GI system in place for origin-based products, collective trade marks will still have a role to play.

At the same time, the EU collective mark system presents a number of weaknesses that raise questions. First, it is unclear whether the link between the product and the territory set out in Art. 22 of the TRIPS Agreement is sufficiently guaranteed by collective trade mark protection. Second, in practice, not only associations of manufacturers and producers register collective marks but also individual company. This puts under pressure the goal of inclusivity for the applicant group. Third, since the Darjeeling judgment C-673/15 P to C-676/15 P of the Court of Justice of the European Union (CJEU), it is questionable whether collective marks can fulfil the function of protecting geographical origin of products; the CJEU seems to reduce their protection to the commercial origin.

These concerns are significant for origin-based products that merely rely on EU collective mark protection. Whether EU collective marks present an adequate tool to protect geographical indications is important for any group of producers of origin-based products when deciding which protection scheme to choose. Also for consumers, it is relevant to know which quality of the link with the actual territory a collective mark demonstrates, which entity stands behind the registration of the mark, and what information exactly is protected by an EU collective mark indicating origin.

So far, not much literature has addressed these questions. Coutier and Ath (2016) compare the protection regime for collective marks with that of Protected Designation of Origin (PDOs) and Protected GIs (PGIs) in the EU, but do not highlight these aspects. Heath (2017) critically discusses the Darjeeling case in relation to the function of collective marks, but does not highlight other insufficiencies of collective marks. In this paper, I focus on whether the current EU collective mark system offers a viable alternative to protecting geographical indications through PDO and PGI protection. I argue that it currently does not as 1) it is not in compliance with the TRIPS Agreement, 2) it does not safeguard the representation of the interests of all producers, and 3) it does not offer protection against confusion as to geographical origin. Recommendations are made on how to address these.

METHODOLOGY

This paper is based on doctrinal legal research methods, which include the interpretation of legislation and case-law. Literature search in the fields of law and economics was carried out and supports that analysis. In order to answer the normative question as to whether the collective trade mark system is a viable alternative to GI protection, the benchmark is 1) whether the TRIPS Agreement obligation is fulfilled, 2) whether a benefit for all producers of a GI product is guaranteed, and 3) whether the function of protecting GIs is fulfilled.

RESULTS

First, according to Art. 74.2 EUTMR, signs that indicate geographical origin can constitute a collective mark. The law does not stipulate criteria that require the quality, characteristics or reputation of the good to be linked (or essentially attributable) to a specific territory. This, however, is required under the TRIPS Agreement. As exemplified by the Sidamo coffee case (WIPO 2022), a conscious choice has been made by the Ethiopian Intellectual Property Office to register (individual) trade marks (EUIPO trade mark number 004348751) instead of a geographical indication, for the very reason that trade marks do not set out that the products carrying the trade mark must come from a geographical region linked to the geographical name used, unless one can show they would be deceptive. Nor is there a requirement what the nature of the link between the product and the region needs to be. While there is strong scepticism whether the grant of

¹Anke Moerland is Associate Professor of Intellectual Property Law at Maastricht University, Institute of Globalization and International Regulation, The Netherlands (anke.moerland@maastrichtuniversity.nl).

trade marks containing exclusively a geographical name is justified in this case (Heath 2017), the flexibility trade mark law provides has allowed the Ethiopian government to obtain exclusive rights to a geographical indication at least in the US, the EU, Japan and Canada.

However, this case also shows that geographical indications who are protected through an individual or collective trade mark do not necessarily have to come from a specific region, nor do they have to be produced under the same conditions that would link the product to a the region. EU collective mark protection does not remedy this problem. Neither EU Trade Mark Regulation 2017/1001 (EUTMR) nor Directive 2015/2436 set out an obligatory condition that where a collective mark indicates geographical origin, the requirements for membership must include the definition of the link to the geographical region.

Second, the concept of the proprietor for collective marks is not sufficiently defined. Art.74(1) EUTMR sets out that an association of manufacturers, producers, suppliers of services, or traders can register a collective mark. Two problems are related to this. In practice, not only associations but also individual companies have registered collective marks, which points to insufficient rigor in applying the examination criteria. Another problem is that the EUTMR and TMD do not require applicants to represent the interests of all producers of the product originating from the region. This, however, means that the applicant who determines the regulations governing use in the collective mark application, potentially can exclude the interests of certain producers. This feature of the collective mark system, which had also been noted for the GI system (Gangjee 2017), should be remedied in order to guarantee benefit for all producers of an origin-based product.

Third, the CJEU in the Darjeeling case highlighted that the purpose of a collective mark for a geographical indication is different from the function of a GI: it distinguishes goods or services of members of an association from those of other undertakings, and it does not distinguish goods according to their geographic origin. This means collective mark holders could not claim that consumers are confused about the geographical origin of products where other producers use the geographical name without originating therefrom. Only confusion regarding the commercial origin, so from a particular association, is actionable. This triggers the question as to whether EU collective marks then are an adequate tool to protect geographical indications. While the function of collective trade marks certainly is to distinguish commercial origin of products from the association, it could be enlarged for geographical collective marks. Arguably, the special safeguard in Art. 74.2 EUTMR also establishes a specific right for third parties to use geographical EU collective marks according to honest practices where the products indeed originate from the indicated place. Special treatment, therefore, already exists for geographical collective marks.

RECOMMENDATIONS

First, in order to make collective mark protection for geographical indications TRIPS-compliant, the EUTMR and TMD should set out an obligation for the association to establish 1) the geographical origin from where products can come from, 2) the link with the geographical territory, and in particular 3) whether the products' quality, reputation or other characteristics are essentially attributable to the geographical origin. Second, in order to make sure that only associations can register collective marks, it is recommended that the EUIPO and national trade mark offices, when confronted with a geographical collective mark, require the applicant group to produce an affidavit or another declaration that the group represents the interests of all producers of the product carrying the collective mark.

Third, in order to protect geographical collective marks against confusing use in relation to the geographical origin (which is the very purpose of seeking an IP right for the geographical name), the function of geographical collective marks should be interpreted as to include confusion on the basis of geographical origin, in addition to commercial origin. Should the CJEU not follow that line, certification marks may serve as another alternative in order to achieve a more appropriate scope of protection. The function of certification marks is to certify compliance with the standards set; where one of them includes geographical origin, these certification marks would be protected against use on products that do not comply with the geographical origin. Currently, however, certification marks at EU level are not available for geographical indications. This would require an amendment of the EUTMR.

REFERENCES

European Commission (2022), Proposal for a Regulation of the European Parliament and the Council on geographical indication protection for craft and industrial products and amending Regulations (EU) 2017/1001 and (EU) 2019/1753 of the European Parliament and of the Council and Council Decision (EU) 2019/1754, COM(2022) 174 final.

DS Gangjee (2017), Proving Provenance? Geographical Indications Certification and its Ambiguities, *World Development*, 98 pp. 12-24

Heath C, 2017, How Would Geographical Indications from Asia Fare in Europe?. In: Irene Calboli and Wee Loon Ng-Loy (eds), *Geographical Indications at the Crossroads of Trade, Development, and Culture: Focus on Asia-Pacific*, pp. 186-211, Cambridge University Press

WIPO, Case study The Coffee War: Ethiopia and the Starbucks Story, available at <https://www.wipo.int/ipadvantage/en/details.jsp?id=2621>