GI face-off – debating current geographical indication protections

By Massimo Vittori and Shawna Morris

The topic of geographical indications (GIs) often sparks heated debate between interested parties. We bring together two organisations with different perspectives on GIs to discuss the best route forward for this unique form of protection.

Governments have been protecting trade names and trademarks in relation to goods, especially food products, for over a century. Such rights have stepped up in the past two decades in Europe following the introduction of the European Union's protected designation of origin framework in 1992.

However, there are some fundamental differences in philosophy on GIs – especially between governments in Europe and the United States. In broad terms, there is the theory of *terroir*, which claims that specific properties of a geographical area affect the quality or make-up of a product. Therefore, only producers located in a specific area can make and call certain products related to an area (eg, *Prosciutto di Parma* must be made in the Emilia-Romagna region of Italy). Any producers outside of that area – even if they create products using a duplicate process described in the definition of a GI – cannot use the protected name.

Alternatively, in the United States, names of food products are generally considered to be covered by current IP laws – primarily through registered (or even unregistered) trademarks. When it comes to trade agreements with the United States, the topic of GIs is often a contentious issue – sometimes even a stumbling block to an agreement.

To that end, two organisations have been formed that have – on paper at least – different views on the role of GIs. The Organisation for an International Geographical Indications Network (oriGIn) was established in 2003 and actively campaigns for the effective legal protection and enforcement of GIs at the international, national and regional level. The Consortium for Common Food Names (CCFN) aims to develop a clear and reasonable scope of protection for GIs and opposes attempts to monopolise common names that it claims have become part of the public domain (eg, Feta, Mozzarella and Parmesan).

In a bid to better understand both these organisations' positions and the wider debate, we offered both parties the chance to explain whether they

see the current global GI regime as fit for purpose. We then offered each a chance to respond to the other. Both were given strict guidelines – including a deadline and word count – to ensure that the debate would be fair. Here, we have both perspectives and, directly after each, the other party's response. It will be sure to spark more discussion and is a timely reminder of how passionate both sides feel about their respective positions.

Round 1: "Geographical indications are an amazing journey yet to be completed"

Massimo Vittori, managing director of oriGIn, on the current state of GIs and his hopes for stronger protections in the future

When speaking about GIs, I like to start from the concept of journey.

While we can easily buy in a shop or online goods with specific qualities deeply rooted in their geographical environment, travelling to the places where they are produced – to discover the people, the culture and the geography that make them unique – still has a magical charm. Dreaming of the amazing journeys of GIs comes quite naturally – we could wake up in *in* Colombia to discover *café de Colombia*, with its sub-denominations Cauca, Huila, Sierra Nevada, Nariño, Santander and Tolima, each with a unique flavour, or in the Zhejiang Province in China to savour a cup of *Longjing tea.* What about lunch in the Altopiano di Asiago in the northeast of Italy to taste the aromatic notes of Asiago cheese, accompanied by a glass of *Napa Valley wine*? Have you ever been to Cameroun, in the forest of Kilum-Ijim, to taste the local *miel d'Oku?* Finally a glass of *Scotch whisky* to be sipped and savoured in Edinburgh while watching the Royal Military Tattoo. After all, visiting farms, factories, festivals and restaurants to taste a special food, wine or spirit and watch them being prepared, is today a major driver for tourists when choosing a destination.

Likewise, if one looks at GIs from an historical perspective, another incredible journey has been made, especially if we consider the last 60 years.

First of all, today a large majority of national laws consider GIs as an independent category of IP rights, with precise criteria concerning registration, oppositions and length of protection. Such laws are often referred to as *sui generis* systems. I prefer to call them independent systems. Even countries relying on other instruments – such as trademarks, including certification and collective marks – do not question the IP nature

of the rights conferred to geographical names. In 2017, oriGIn published a worldwide compilation of GIs (not limited to independent systems), which counted some 8,000 names (a conservative estimate) recognised in jurisdictions around the world. GIs being IP rights is not just a matter of national legislation. The main international treaties on the matter recognise this:

- the Lisbon Agreement on the Protection of Appellations of Origin and their International Registration, first concluded in 1958 within the WIPO;
- the Geneva Act on Appellations of Origin and Geographical Indications (2015); and
- the 1994 Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs) of the World Trade Organisation (WTO).

The rationale is evident: geographical names offer a powerful differentiation tool for food, wines, spirits, handicrafts and any other good deeply rooted in a given geographical area, with its natural features, tradition and culture. As a result, GIs protect the quality and tradition behind such goods, creating value for millions of producers, processors and distributors around the world. They also serve the interests of consumers in search of unique qualities and authentic stories behind the products they wish to buy. Just a few examples:

- the worldwide sale value of the European GIs is estimated to account for €54.3 billion;
- according to the Colombian Coffee Growers Federation, more than 540,000 families are involved in the coffee sector; and
- 94% of US wine drinkers support laws that would protect consumers from misleading wine labels.

Without adequate protection, there are incentives for using misleading labelling and counterfeiting, the reputation of genuine products is negatively affected and, ultimately, GI operators risk being driven out of business.

As for any other kind of IP rights, the incentive to preserve and promote the quality and tradition of certain goods through GIs is balanced with the interests of the public domain. The same national legislations and international treaties which protect GIs provide exceptions. They ensure, for instance, that the rights derived from trademarks registered in good faith before the recognition of a GI are safeguarded (Article 24.5 of TRIPs and Article 13.1 of the Geneva Act of the Lisbon Agreement) and that terms that have become generic are not protected (Article 24.6 of TRIPs, Article 5.3 of the Lisbon Agreement and Article 15 of the Geneva Act – while the grounds of refusal are not listed in the relevant articles of the Lisbon Agreement and

the Geneva Act, the practice of the former shows that acquired genericity in the country at issue can be one of such grounds). Exceptions to GI protection exist and have consistently been applied on a national basis, in line with the territorial nature of IP rights.

Another achievement of this amazing journey is the mutual recognition of GIs via bilateral treaties – whether these are free trade agreements with a chapter on GIs, standalone GI agreements or cooperation agreements. Since the 1970s, a large number of GIs have obtained solid protection in foreign jurisdictions through such agreements. The oriGIn worldwide GI compilation has found more than 200 of them (again this figure is far from being exhaustive).

Finally, I would like to briefly mention the role played by GIs in one of the most urgent challenges of our times: sustainability. In other words, how economic actors continue to create value, taking into account social and environmental considerations, so that the ability of future generations to meet their own needs is not compromised. Historically, GIs have been sensitive to such issues long before the civil society began to demand that companies and brands take account of their impact on the environment and the social welfare of their employees and communities. First, because GIs cannot switch production elsewhere, resources and natural capital must be conserved for such products to continue to exist and thrive in the long term. Moreover, a GI is an integral part of its community. Their ability to generate and fairly distribute value for local stakeholders is a key factor of their success. This is achieved through a local value chain governance, which allows each and every stakeholder to be represented. Likewise, such products are subject to independent audits, to verify that the qualities announced are delivered to consumers. For all these reasons, GIs are in a strategic position to respond to sustainability challenges and even represent a model for other economic sectors just embarking on this process.

As a matter of fact, tremendous progress has been accomplished. However, the GI journey is far from over. Important challenges will have to be faced in the years to come. I will focus on three of them, which I believe represent the most urgent ones.

First of all, the problem of enforcing existing rules. A 2016 EUIPO/OECD report estimated the value of products infringing EU GIs in the internal market at €4.3 billion (9% of the total product market). Consumers lose €2.3 billion annually by paying a premium price for what they believe to be genuine products. Even when relevant rules exist and are sound, enforcement is problematic. One possible solution is to strengthen forms of administrative protection, where public authorities are involved in enforcement mechanisms.

On the other hand, the proliferation of bilateral agreements covering GIs can generate conflicts of rules, which in the long term might be difficult to reconcile at the multilateral level. This can create legal uncertainty, which is detrimental to business and consumers. A truly multilateral GI registry remains a priority and the Geneva Act opened up an interesting perspective in this respect.

The Internet poses numerous challenges as well. On the one hand, e-commerce represents a tremendous opportunity. However, it increases risks in terms of counterfeiting and infringements. Joining programmes such as the eBay Verified Rights Owner, which provides the possibility for rights holders to send a note and having products infringing their GIs rapidly removed from the platform, is crucial. Likewise, the recent delegation of new gTLDs by ICANN has dramatically increased the risks of misappropriation – in particular, with respect to second-level domains assigned within sensitive strings (eg, '.food', '.pizza', '.wine' and '.coffee'). In response to this, both new gTLDs and traditional ones (eg, '.com', '.int' and '.org') should fully consider GIs as prior rights to be used to activate curative mechanisms (in particular the UDRP) in case of infringements in second-level domains.

Intellectual property, globalisation, roots, sustainability, authenticity, small producers, internet, job creation: GIs are at the core of all these crucial fields. Let us not stop the journey but rather focus on further improving the system and addressing pragmatically the challenges ahead.

The response from CCFN

The use by oriGIn of "journey" as a metaphor for the progression of GI protection over the last 60 years is an interesting choice. CCFN would like to continue this discussion of journey – not in the metaphorical sense but by referencing an actual journey, the journey of a European émigré 80 years ago. Paolo Sartori left his hometown of Valdastico, Italy, emigrated to the United States and in 1939, founded Sartori cheese company.
He began making cheese and was quite successful. His children, grandchildren and now great-grandchildren have carried on that business. The company remains family owned and operated, making products such as romano, parmesan, mozzarella and more.

This journey – the journey of an émigré from Europe starting a new life in a distant land – is not just the isolated story of a single person and it is not only about a journey to the United States. On the contrary, it is a journey that has been repeated over and over again by many people and to places all over the globe.
These journeys have resulted in the production of marvellous foods throughout the world and the creation of global markets for these products, which naturally became known by the unprotected common food names that came with these émigrés, such as parmesan and asiago, manchego and feta.

These journeys have also led us to the strange conflict we face today. As mentioned in its primary response, CCFN is not opposed to GI protection. On the contrary, CCFN supports GI regimes that properly safeguard the interests of those using terms already in the common domain, among other interests. oriGIn, on the contrary,

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appears to support GI regimes that would wipe out the use of many well-established generic terms in many markets – such as the European Union's GI regime, its expansion through free trade agreements, the Lisbon Agreement and the Geneva Act on Appellations of Origin. According to oriGIn, this is justified. But how?
One justification suggested by oriGIn is to benefit consumers: "[GI protection] does serve as well the interests of consumers in search of unique qualities and authentic stories behind the products they wish to buy" – suggesting that producers who use GIs have a monopoly on quality products. That is clearly not the case. For example, returning to the company founded by Paulo Sartori in 1939, that company alone has won hundreds of awards at the toughest cheese competitions around the world. In fact, in 2011 Sartori captured top honours for its parmesan at the prestigious UK-based global cheese competition – even defeating the parmesan from Parma, Italy. It is difficult to understand how consumers benefit from the elimination from markets of the use of well-established and consumer-recognised generic terms on internationally recognised high-quality products. It serves to confuse consumers and reduce choice, thereby preventing consumers from being able to purchase, in the words of OriGIn, "products they wish to buy".

Another justification suggested by oriGIn is the prevention of misleading labelling and counterfeiting. CCFN is particularly attuned to this concern since its members would also like to prevent consumer confusion and counterfeiting of the trademarks that its members use in the sale of their products. However, eliminating generic terms from the market does not further this goal.

Finally, oriGIn talks about the importance of sustainability. GI owners are not the only producers interested in sustainability. Returning again to the story of Paulo Sartori and similar producers throughout the world, sustainability is key to their production. The company Sartori founded in 1939 has a network of patron farmers, some of whom have supplied milk for generations. These farmers are required to adhere to the highest standards of animal care and environmental stewardship – the very essence of sustainability. Eliminating markets for products bearing common food names creates a significant disruption to this long-established sustainability.

In conclusion, CCFN would like to return to oriGIn's metaphor of journey as it applies to GI protection. Yes, the progression of GI protection is a journey. On the GI journey that CCFN envisions, the interests of all must be taken into consideration – not just the owners of GIs but also the essential other participants – consumers, agricultural producers, trademark owners and users of common food names. When the interests of these key participants are not taken into consideration, the journey becomes more like a conquest. Should we not move beyond the concept of conquest and towards a true vision of journey that respects established trade rules and includes cooperation for the benefit of all?

Round 2: "A rational approach to GIs"

Shawna Morris, senior director at CCFN, on the organisation's concerns about the European Union's GI regime and what can be done to please all parties

GI protection is a hotly debated, often misunderstood and sometimes polarising topic. This piece is meant to point out some of the finer points associated with GI protection regimes and suggest productive, rational and fair ways to solve the problems associated with them.

CCFN is an independent, international non-profit alliance that represents the interests of consumers, farmers, food producers and retailers from around the world. Its mission is to preserve the legitimate rights of these parties to use common names, to protect the value of internationally recognised brands and to prevent new barriers to commerce.

The question then is whether existing GI protection regimes are fit for purpose in today's global marketplace. The simple answer is no, not pursuant to existing GI protection regimes. To be clear, CCFN is not opposed to GI regimes. But GI regimes must also properly safeguard the interests of those using terms already in the common domain, trademark owners and consumers. When GI protection is in fact camouflaged protectionism, there is no place for it. To fully understand the debate, however, it is important to take a step back and look at how the conflict has developed.

Waves of people emigrated from Europe throughout history. As people moved, food and culture moved with them. As the popularity of the foods they brought with them expanded, so did the use of the names associated with those foods. These early producers were not misappropriating any protected rights – they were simply calling their products by the non-proprietary names that were familiar to them. Over time, many of these food names became the generic names for the products. Those generic food names were then used in markets around the word without interference – often for many generations. This extended period of generic usage resulted in the establishment of well-known and globally recognised common food names. Just a few of these include the terms parmesan, feta, asiago, chorizo and bologna.

The European Union – the primary promoter of expansive GI rights – did not set up an EU-wide GI protection regime for agricultural products (exclusive of wine and spirits) until 1992, long after many of these generic terms had been established globally, including in the European Union. Under this newly formed EU regime, many GIs that corresponded to generally recognised generic terms were registered, forcing the use of various longstanding generic terms from the market. Having established its own internal GI regime, the European Union then began its efforts to claw back these terms on an international basis, most recently through bilateral trade deals. In many instances, their efforts have resulted in the forced cessation of the use of generic terms even though these products had been on the market without objection for decades – and non-EU producers had vastly increased the familiarity and market for these products in other regions.

It is this backdrop that sets the stage for the debate. Proponents of GI protection such as CCFN are interested in promoting GI regimes that take

into account the interests of a broad range of parties, including GI owners, users of generic food names, trademark owners and consumers. Proponents of overly expansive GI regimes (eg, the European Union), on the other hand, are interested in advancing GI systems that allow for the misappropriation of generic food names, while ignoring the impact on producers, buyers and consumers. These EU GI regimes are implemented in a way that makes it very difficult for third parties to protect their interests. The European Union in its free trade negotiations submits a long list of GIs that it insists on registering in the target country. This method of IP protection would be comparable to an industrialised nation approaching a developing nation with a list of patents it wants protected in the developing country as a price to be paid to achieve a free trade agreement.

What is the harm of these expansive GI protection regimes? First, there is significant harm to the farmers and food producers who use common food names to identify their products. When promoters of these regimes – such as the European Union through its free trade discussions with other countries – attempt to block the use of a generic term in favour of a GI, it forces the users of these generic terms to expend significant sums of money and energy to defend their ability to continue using those terms in that market. In Mexico, for instance, myriad manchego producers in that developing country faced the threat of forfeiting the domestic market for manchego – which they have worked long and hard to cultivate – due to Spanish GI holders' demands to turn back time.

When successful in eliminating a product bearing an established generic term from the market, the harm is even greater. Producers and importers of such products must bear the expense of renaming them, creating new packaging for them and, probably the most difficult part, educating consumers that a product that was once called one name is now called by another.

Due to limited resources, this burden falls most heavily on family-owned producers and producers from developing countries. Imagine how difficult it is for them to protect their rights against government-supported and well-funded consortia seeking to monopolise generic terms. But even better-funded producers are threatened. For example, Danish feta producers and German parmesan producers were forced to shoulder this burden for their sales on the EU market when those terms were suddenly declared to be protected GIs. Longstanding generic uses were brushed aside when the Italian and Greek interests demanded a monopoly on those common terms.

Second, there is harm to trademark owners who may use and register their trademarks accompanied by the generic term for the product. They face increasing difficulties obtaining registrations for their combined trademarks due to refusals based on newly protected GIs, prospects of protracted

litigation due to EU negotiations and the potential revocation of existing trademark registrations.

Lastly, there is harm to the consumer. When these GI regimes force a generically labelled product off the market, producers who cannot afford to make the change will be forced from the market forever, resulting in fewer consumer choices and higher prices due to lack of competition. And forcing a change from one generic term to a set of splintered and completely unknown new terms will undoubtedly confuse consumers, making it difficult for them to find (and trust) the product they once purchased.

And for what? To provide a benefit to a limited number of generally well-off producers in developed countries by restricting competition and allowing them to raise prices to consumers?

As stated above, it is not CCFN's goal to block GI protection. On the contrary, the goal is to improve GI regimes to ensure that they take into consideration the interests of all stakeholders. CCFN suggests that this can be done in the following ways:

- Register GIs in an open and transparent way, rather than through closed-door negotiations and without the possibility of genuine domestic review of the merits of applications and robust opposition proceedings.
- Provide clear grounds for opposition, including that the GIs consist of generic terms.
- Limit GI protection to what it was designed and named for (ie, geographic terms). For example, "Feta" is a protected GI in the European Union even though there is no place called Feta.
- Encourage the registration of compound GIs, where one component is the geographic location and the other is the generic term available for others to use (eg, Greek Feta).
- Establish clear and consistent scopes of protection, which safeguard generic terms and focus on intentionally misleading uses rather than the harmfully broad evocation standard, which unnecessarily sweeps non-misleading generic terms into the prohibited realm.
- Introduce a system that identifies specific terms as being generic, providing a safe harbour for the use of those generic terms.
- Rely on objective criteria in determining genericity (eg, established product standards, including those set by the Codex Alimentarius; references to generic terms in tariff schedules; and levels of production of the generic product outside the GI region).
- Safeguard the validity and use of trademarks that include generic terms and otherwise could be prohibited even after years of use.

CCFN believes that common ground exists and that it is better to work together to build world markets than to erect barriers to trade. To do this, however, all parties need to discuss common goals and a positive path forward – and this should be done sooner rather than later. It is completely possible to grant legitimate GI applicants protections they deserve without violating WTO commitments and unduly affecting economic interests of producers and consumers. However, there must be a commitment on both sides to work towards this goal. CCFN welcomes this discussion.

oriGIn's response

We welcome the opportunity to respond to the arguments raised by CCFN.

From a general perspective, oriGIn believes that the main point of disagreement concerns the framework within which the debate is conducted. GIs are intellectual property. It is within that perimeter that we must move. GIs represent a well-established legal concept, defined in multilateral treaties, bilateral agreements national legislations. Does a legal definition of “well-known and globally recognised common food names” exist? Can you find it in international treaties or national laws?

We are in the IP domain. You cannot accept certain rights of IP owners and beneficiaries, and deny others. IP rights are not regimes *à la carte*. To ensure an equilibrium with public domain interests, limitations to IP rights – including the one based on genericity for GIs – already exist within the system. They are evaluated and implemented by countries individually, with respect to their jurisdiction.
If we had to implement the CCFN approach, we would have to consider of free use – in each and every jurisdiction around the world – a hypothetical list of “well-known and globally recognised common food names”. Now, over the years, several GIs groups, including those representing some of the names mentioned in the CCFN piece, have obtained protection in foreign markets also through trademarks. This was necessary in jurisdictions where no other instrument was available.
The CCFN approach would *de facto* consider generic a number of valid GIs and trademarks altogether, without any evaluation as to whether the corresponding names became generic in a given jurisdiction. We believe this would be extremely dangerous not only for GIs, but for the IP rights system in its entirety.

Having said that, we would like to respond to some specific arguments mentioned in the CCFN contribution. History first: while European immigrants commercialised products bearing GI names in certain countries, the quality of these differs from those of authentic GIs.
Moreover, whether such names have acquired a generic nature in the countries of immigration cannot be assessed by oriGIn or CCFN. Only national courts and IP offices can do this. In any circumstances, no legal effects would occur in Japan, China, India, Nigeria, South Africa or any other jurisdiction without a genericness test being conducted by competent authorities in each of these countries.

Second, CCFN states that “the European Union as primary promoter of expansive GIs rights, did not set up an EU-wide GI protection regime for agricultural products… until 1992”. First of all, in several EU countries, GIs protection had existed for years, decades and sometime centuries. Moreover, going beyond the TRIPs provisions in bilateral agreements is a legitimate practice, followed by several countries considering IP strategies. The European Union is certainly not the only one seeking solid GI provisions through bilateral agreements. Have a look for instance at the recent agreement between Georgia and Switzerland. GIs are famous internationally, mainly for their quality and reputation as well as for the investments of their legitimate groups. If a GI is protected in a foreign market – either through an application filed by its group or a bilateral agreement, in line with the relevant national rules and procedures – this cannot be called protectionism. Again, this is intellectual property.
Likewise, the recent EU/Mexico agreement mentioned in the CCFN contribution shows that Mexico

oriGIn's response

was keen to introduce solid GI provisions, to underpin the protection of its GIs in the European Union, where they are facing misappropriations. An open and transparent opposition procedure was available. As a result, the protection of the Spanish GI “Manchego” in Mexico will not prevent local cheese producers from continuing to use this name. This is not the solution oriGIn had wished. However, it shows that opposition procedures in the context of bilateral agreements covering GIs – including those negotiated by the European Union – are open and that third parties can defend their rights.
It cannot be said that GIs harm consumers or competition. GIs offer consumers, who are increasingly demanding when it comes to authenticity, information to guide their choices as well as an alternative to commoditised food. What about consumers when geographical names are misused
in the commercialisation of products, often in combination with national flags or other cultural symbols, all suggesting to consumers an origin and quality not corresponding to the real one?

Other points – such as size of producers, economic impact and developing countries –
all deserve an answer but our space is limited. You will find evidence in our article and reach your own conclusion.