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Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the action of the Union following its accession to the Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications - Optional consultation of the European Economic and Social Committee and Committee of Regions - Opinion of the European Economic and Social Committee
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Document ST 5507/19 INIT should contain in its Annex the attached here opinion of the European Economic and Social Committee."



European Economic and Social Committee

INT/873

Appellations of Origin and Geographical Indications

OPINION

European Economic and Social Committee

Proposal for a Regulation of the European Parliament and of the Council on the action of the Union following its accession to the Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications

[COM(2018) 365 final – 2018/0189 (COD)]

Rapporteur: **Arnold PUECH d'ALISSAC**

Consultation	European Parliament, 10/09/2018 Council, 17/10/2018
Legal basis	Article 114 of the Treaty on the Functioning of the European Union
Section responsible	Section for the Single Market, Production and Consumption
Adopted in section	21/11/2018
Adopted at plenary session	12/12/2018
Plenary session No	539
Outcome of vote (for/against/abstentions)	208/1/3

1. **Conclusions and recommendations**

- 1.1 Geographical indications (GIs) represent a unique and valuable resource for EU producers in an increasingly liberalised and competitive global market.
- 1.2 The European Commission should always act with a view to protecting production models and quality systems recognised globally for the beneficial effect of their sustainability on consumers and producers.
- 1.3 The indications are therefore unique in that they emphasise the local dimension of a product, thus showcasing cultural aspects, local know-how, the region concerned and its agro-ecological specificities. These characteristics must be preserved.

- 1.4 There is a worldwide move towards developing "SIQOs" (official quality and origin indicators).
- 1.5 The EESC highlights this positive trend and welcomes the European Commission's proposal to protect registered appellations of origin and registered geographical indications at international level under the Geneva Agreement and its legal practices. It believes that efforts must be made to create a harmonised framework for the protection of quality indicators at international level. However, it considers it essential to work towards a comprehensive approach that aims to protect and promote the system of quality indicators as a whole.
- 1.6 A system is needed that ensures fair treatment of all European producers wishing to have their geographical indications recognised at international level as well.
- 1.7 The EESC feels that the rights accrued by these geographical indications already registered and protected at European level should be preserved in order to avoid penalties and unequal treatment.

2. Proposal for a regulation

- 2.1 The aim of this Commission proposal is to put a legal framework in place ensuring effective participation of the EU in the WIPO Lisbon Union on Appellations of Origin and Geographical Indications as of the day that the EU becomes a Contracting Party to the Geneva Act.
- 2.2 The Geneva Act establishes a commitment for each Contracting Party to protect registered appellations of origin and geographical indications on its territory, within its own legal system and practices. Thus, an appellation of origin or registered geographical indication is protected by each Contracting Party that has not refused protection.
- 2.3 Once the European Union has become a Contracting Party to the Geneva Act, the Commission proposes that it submit a list of its geographical indications (to be agreed upon with the Member States) for protection under the Lisbon system. Following the EU's accession to the Lisbon Union, applications for the international registration of additional geographical indications protected and registered in the Union will be possible on the Commission's initiative or at the request of a Member State or of an interested group of producers.

- 2.4 Appropriate procedures should be put in place for assessment by the Commission of appellations of origin and geographical indications originating in third Contracting Parties and registered in the International Register. Enforcement by the Union of appellations of origin and geographical indications originating in third Contracting Parties and registered in the International Register shall be in accordance with Chapter III of the Geneva Act.
- 2.5 This act in particular requires each Contracting Party to make available effective legal remedies for the protection of registered appellations of origin and registered geographical indications (see Article 14 of the Geneva Act of the Lisbon Agreement)¹.
- 2.6 Seven EU Member States are members of the Lisbon Union and as such have accepted protection of third-country names. In order to provide them with the means to fulfil their international obligations undertaken prior to the accession of the EU to the Lisbon Union, a transitional arrangement should be put into place which should produce effects at national level only, and have no effect on intra-EU or international trade.
- 2.7 The fees to be paid under the Geneva Act and the Common Regulations for filing an application for the international registration of an appellation of origin or a geographical indication are borne by the Member State in which the appellation of origin or the geographical indication originates (see Article 11 of the Geneva Act of the Lisbon Agreement)².
- 2.8 The EU has put in place uniform and comprehensive protection systems for geographical indications of agricultural products. Through these systems, protected names for the products covered enjoy far-reaching protection throughout the EU, based on a single application process. The proposal is consistent with the EU's general policy to promote and enhance the protection of geographical indications through bilateral, regional and multilateral agreements.

¹ http://www.wipo.int/edocs/pubdocs/en/wipo_pub_239.pdf.

² Idem.

3. General comments

- 3.1 The EESC welcomes the European Commission's proposal to protect registered appellations of origin and registered geographical indications at international level under the Geneva Act and its legal practices. In a context hallmarked by ever-increasing globalisation, especially as regards the agri-food trade, efforts must be made to create a harmonised framework for the protection of quality indicators at international level.
- 3.2 The European Commission should always act with a view to protecting production models and quality control systems recognised globally for their beneficial effect on consumer health and economic and environmental sustainability.
- 3.3 Geographical indications (GIs) represent a unique and valuable resource (5.7% of agri-food sales, i.e. over EUR 54 billion in 2010)³ for EU producers in an increasingly liberalised global market. However, efforts to compete on the basis of quality are useless if the main tool used by our high-quality products, i.e. GIs, is not sufficiently protected on international markets.
- 3.4 The EESC stresses that geographical indications are distinctive markers that make it possible to differentiate competing products and inform the consumer about the origin of a product. Unlike trademarks, a geographical indication is intended to highlight the link between a product and its region of origin. The indications are therefore unique in that they emphasise the local dimension of a product, thus showcasing cultural aspects, local know-how, the region concerned and its agro-ecological specificities. These characteristics must be preserved.
- 3.5 Back in 2008, in its opinion on Geographical indications and designations⁴, the EESC stressed that European civil society had seen increasing consumer awareness of the characteristics of agri-food products, reflected in a demand for quality products. This statement is today more valid than ever as European consumers are increasingly on the lookout for quality products from a particular local area, region or country whose quality or reputation is fundamentally associated with that geographical origin⁵.

³ See [Tender No AGRI-2011-EVAL-04](#).

⁴ [OJ C 204, 9.8.2008, p. 57](#).

⁵ <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1540542863415&uri=CELEX:32012R1151>.

- 3.6 According to a recent report by the French Economic, Social and Environmental Council on official indicators of the quality and origin of food products, there is a worldwide move towards developing "SIQOs" (official quality and origin indicators). Geographical indications are gaining ground because they respond to growing consumer demand and also promote a history, heritage and ancestral expertise associated with a particular area.
- 3.7 The EESC reiterates that according to the FAO⁶, the effect of geographical indications on prices has been very positive, regardless of the type of product, region of origin or length of time it has been registered.
- 3.8 Aspects relating to the protection of geographical indications are becoming more and more central in all bilateral agreements, both concluded and under negotiation. The EESC draws attention to this positive aspect. However, it considers it essential to work towards a comprehensive approach that aims to protect and promote the overall system of quality indicators.
- 3.9 To this end, the EESC considers it necessary to re-examine the proposal for a positive list at EU level, which is not in line with the requirement to protect the geographical indications scheme as a whole. A system is needed that ensures fair treatment of all European producers wishing to have their geographical indications recognised at international level as well. This is all the more the case given that the criteria chosen do not take into consideration other socioeconomic criteria that are essential for economic development in certain EU regions. A local economy often forms around geographical indications, generating employment and having a significant impact on other sectors of the economy, such as tourism, as well as being beneficial for land use and land-use planning.
- 3.10 The EESC calls on the Commission to take into account the consequences of the future change in relations between the European Union and the United Kingdom and the impact that drawing up a positive list could have on the ongoing negotiations, which should be carried out with the aim of protecting the quality system of the European Union as a whole. After its withdrawal from the EU, the United Kingdom must continue to respect the geographical indications guaranteed by a system from which it has benefited thus far.
- 3.11 The EESC stresses that the European agri-food sector is under serious threat from counterfeit products. A report⁷ recently released by the European Commission confirms that the most frequently counterfeited products are agri-food products.

⁶ UN Food and Agriculture Organisation.

- 3.12 The EESC notes that, to date, seven EU countries (Bulgaria, the Czech Republic, France, Hungary, Italy, Portugal and Slovakia) are already full members of the Lisbon Agreement and that the agreement currently has over 1 000 registered geographical indications, which are protected at international level by protected designations of origin (PDOs) and protected geographical indications (PGIs) via a single registration procedure.
- 3.13 The EESC feels that the rights accrued by these geographical indications already registered and protected at European level should be preserved in order to avoid penalties and unequal treatment.
- 3.14 Lastly, the EESC draws attention to the 2012 study on the commercial value of GIs in the EU⁸. This is the only study currently available, but it would seem that the value premium rate of GI products has not fundamentally changed in the meantime.

Brussels, 12 December 2018.

Luca JAHIER

The president of the European Economic and Social Committee

7

https://ec.europa.eu/taxation_customs/sites/taxation/files/report_on_eu_customs_enforcement_of_ipr_2017_en.pdf (at present only available in English).

8 https://ec.europa.eu/agriculture/external-studies/value-gi_en (at present only available in English).