



ACCADEMIA DEI GEORGOFILII



LA NUOVA DISCIPLINA DELLA PRODUZIONE VITIVINICOLA CRITICITÀ E SFIDE TRA INNOVAZIONI NORMATIVE E TECNICHE

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Wine PDOs / PGIs under the new CMO: is the sky the limit of protection?

RELAZIONE

With regard to the European system of PDO/PGI for wines, the amendment of Regulation 1308/2013 in December 2021, confirms the ceaseless extension of the protection for PDO/PGI.

In fact, the EU Legislator proceeded in the codification of previous case-law of the European Court of Justice (I), while introducing new clauses of protection (II). Nevertheless, practice shows that the never-ending extension of protection is likely to “backfire” and put at stake the efficiency of protection of PDOs/PGIs (III).

I. Codification of case-law

The new Article 102(1) of Regulation 1308/2103 provides:

“Where a designation of origin or a geographical indication is registered under this Regulation, the registration of a trade mark the use of which would contravene, and which relates to a product falling under one of the categories listed in Annex VII, Part II, shall be refused if the application for registration of the trade mark was submitted after the date of submission of the registration application in respect of the designation of origin or the geographical indication to the Commission” (emphasis added). This differs from the previous version which was only referring to “the registration of a trade mark that contains or consists of a (PDO/PGI)”.

Thus, the new clause covers conflicts between trade marks and PDO/PGI in the case of evocation. Previously, evocative word trade marks were examined in the light of Article 103(2b) (Verlados/Calvados, Toscoro/Toscana, Gambonzola/Gorgnozola) whereas Article 102 was inapplicable because of its limited scope. This was giving the false impression that evocative word trade marks concerning similar products (wines in our case) could escape the prohibition of evocation, as if Article 102(1) were introducing, *a contrario*, a *lex specialis*. This is already explicitly excluded. We would only regret that Article 102 limits its fields of application to trade marks for wines, whereas Article 103



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has a broader scope, since it covers the registration and/or use of trade marks for services of dissimilar products, in case of exploitation of the reputation of a PDO/PGI (e.g. the “Champanillo” Case).

Furthermore, Regulation 2021/2117 codifies the landmark case “Champagner Sorbet” of the European Court of Justice by referring explicitly to “the use of products (with a PDO/PGI) used as ingredients” for the commercial use of the PDO/PGI (Art. 103(2a)) as well as in the case of evocation (103(2b)).

II. Introducing new clauses of protection

One should remark the continuous progression of EU case-law regarding the extension of the protection of PDOs/PGIs through the interpretation of the concept of evocation (“Glen” Case, “Manchego” Case, “Champanillo” Case. Still, one cannot neglect that other clauses contained in Article 103(2b) remain inexorable: “misuse” and “imitation”. One can argue that in these cases it is the element of intention which is likely to distinguish them from evocation. In any case, the position of the EUIPO which defends the idea that these concepts (misuse, imitation and evocation) are synonymous is difficult to accept in the light of the principle of “effet utile”.

Nevertheless, the new CMO introduces new clauses of illegal practices with regard to the commercial use of the PDO/PGO. More precisely, the new Regulation prohibits such use, “in so far as such use exploits, weakens or dilutes the reputation of a designation of origin or a geographical indication” (Art. 103(2a i)), emphasis added). Once again, the doctrine of “effet utile” calls for a convincing answer to the question of the specific meaning of the new clauses. Here we remain at the level of hypotheses. One idea would be that EU Law stands up against commercial practices, like promotions and sales, which weaken the image of the PDO/PGI. For many years, Champagne producers protest against the outrageous promotional on champagne bottles by the super markets, in their efforts to bring the consumers to the stores. Moreover, the weakening of the PDO/PGI could be apprehended as a restriction to the commercial use of the protected denomination by the producers of the PDO/PGI, in case of use which is harmful and insulting for the history and the reputation of the name (e.g. labels of pornographic, sexist or racist character).

As for the dilution, albeit the use of the term in the law of trade marks, it does not seem transposable in the case of PDOs/PGIs, since it refers generally to the misuse of a sign which is likely to confuse the consumer and harm the perception of the trade mark at stake. However, these practices are already covered by other clauses, mainly those referring to the exploitation of the reputation of the PDO/PGI or to evocation. Nevertheless, as an assumption, one may interpret this new clause as a source of constraints for the users of the PDO/PGI, in connection to the use of their trade marks. Practice at the European and the national levels offers several examples where the legal user of a PDO/PGI is not allowed to register a trade mark containing the PDO/PGI. *A fortiori*, this is the case whenever the trade mark is practically the same with the



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protected denomination, a phenomenon that may occur in case of a sole producer within a zone of production of a PDO/PGI (EUIPO, 25.02.2021, *Domaine de la Romanée-Conti*, R 1553/2020-2). One may even ask whether such an apprehension of the concept of dilution could also limit the possibility of a winery with a long history in the commercialization of wines with a specific PDO/PGI to use the same trade mark, either for products without a PDO/PGI, or a different geographical denomination or even products other than wines but similar (not alcoholic beverages, spirit drinks, beers...). Such an interpretation of the concept of dilution should be in balance with the respect of economic fundamental rights, mainly the right to (intellectual) property and the freedom to conduct a business.

Finally, Regulation 2021/2117 expands the field of application, *ratione materiae* and *ratione territorii*, of Article 103(2), that is for all the clauses of protection, through the introduction of a 4th paragraph to Article 103, which provides that:

« 4. The protection referred to in paragraph 2 also applies with regard to:
(a) goods entering the customs territory of the Union without being released for free circulation within the customs territory of the Union; and

(b) goods sold by means of distance selling, such as electronic commerce ». Thus, goods present on the soil of the EU but only for reasons of logistics (in transit) and products sold in distance, mainly through electronic trade, are also covered by the protective clauses.

III. The protection of PDOs/PGIs backfiring?

Given this “success story” of PDOs/PGIs and the continuous quest for better and stronger protection for geographical denominations for wines, it seems legitimate to ask whether there is a risk of counter-effect. In other words, is there it possible that the protective clauses provoke a strict segmentation of the wine space, from a geographical as well as from an economic point of view and be source of competition and conflict among different PDOs/PGIs. The recent case of Provence, before the Tribunal judiciaire of Paris (23.01.2023) is a alarming example in this sense. The French court refused the right to use the word “provence” to any producer or association for wines other than those authorized to use the PDOs “Côtes de Provence”, “Côteaux d’Aix-en-Provence”, “Coteaux Varois en Provence”, or “Baux de Provence”. In other words, any wine whose PDO does not include the term “Provence” in its protected denomination. However, the region of Provence includes other historical wine regions, like Bandol, Cassis, Bellet, Luberon... who are certainly part of the common historical and geographical entity of Provence. Instead of protecting the identity of wine regions, is the European system of PDOs/PGIs likely to turn into a mechanical game of names?