

Comments of the International Trademark Association

on the

***Proposal for a Regulation of the European Parliament and of the
Council on Agricultural Product Quality Schemes
(COM(2010) 733 final)***

**Prepared by the
Geographical Indications Subcommittee
Of the Related Rights Committee**

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The International Trademark Association (INTA) is a not-for-profit association of trademark owners and professionals from more than 190 countries. Our Association is headquartered in New York with representative offices in Brussels, Shanghai and Washington D.C. Representing the trademark community since 1878, INTA is dedicated to the support and advancement of trademarks and related intellectual property as elements of fair and effective national and international commerce. INTA's membership includes over 5,700 trademark owners and professional firms spanning all fields of commerce and industry.

The relationship between trademarks and geographical indications (GIs) is an important issue for trademark owners. INTA has on many occasions in the past years contributed to various discussions and fora on the question of the occasional conflicting interplay between the protection of geographical indications and the protection of trademarks. As with any other intellectual property right, INTA supports the need to protect geographical indications. However, we also firmly advocate that such protection must not take place to the detriment of other existing intellectual property rights, including trademarks.

INTA is confident that it is possible to achieve harmonious co-existence of protection systems for geographical indications and other intellectual property rights, including trademarks, and believes that conflicts between these rights should be resolved on the basis of the well-established intellectual property principles of territoriality, exclusivity and “first in time, first in right” priority.

INTA did provide comments during the consultation process regarding Agricultural Product Quality Schemes which resulted in proposed Regulation adopted by the European Commission on 10 December 2010 (COM(2010) 733 final). We have reviewed the proposed changes to the draft Regulation that are now being considered by the European Parliament and ask that the following comments be taken into consideration as the draft proposal continues through the legislative process.

Article 5 - Definitions of designation of origin and geographical indications

INTA notes that the definition of the terms designation of origin and geographical indications has been broadened. According to the definition as contained in the presently applicable Regulation (510/2006), both the definition of the protected designation of origin (PDO) and that of the protected geographical indication (PGI) require that the term is "the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff." Traditional geographical or non-geographical names designating an agricultural product or a foodstuff which fulfill the same conditions of the definition are also recognized.

In contrast, under the definition proposed in the draft Regulation, there is no requirement of a geographical name or of a "traditional name," but simply a need for a "name which identifies a product originating in a specific place, region or, in exceptional cases, a country" (plus a link of the qualities of the product to the area). This appears to significantly broaden and loosen the definition of the PGI/PDO and will increase the number of non-geographical terms eligible for protection. As a result, this revised definition would:

- add uncertainty on the scope and actual meaning of the system;
- lead to a dilution of the commercial value of existing geographical indications and, in particular, designations of origin, with consumers not being able to attribute a concrete value to the PGI/PDO concept, thus making it more difficult to determine the territory to which the PGIs/PDOs are linked;
- increase the zone of possible conflicts between trademarks and geographical indications;
- lead to less predictability of the system which could create significant problems for traders (for instance, for the foodstuffs industry, which is permanently in need of new designations, it will become more difficult to predict which terms may be found eligible for GI protection at some stage);
- distance the system from its original goal to protect geographical names designating products; and

- further blur the line between trademarks and PGIs/PDOs, since a trademark may indicate the geographical origin where the place of manufacturing of the branded product is known (e.g., consumers may know that Volkswagen cars come from Wolfsburg in Germany, but this does not make Volkswagen a GI).

Recommendation: The definition as contained in Regulation 510/06 should be maintained.

Article 6 - Generic nature, conflict with names of plant varieties and animal breeds and with homonyms and trademarks

INTA notes that Article 6 of the draft Regulation maintains the different treatment of plant varieties/animal breeds and trademarks that is already contained in Article 3 of Regulation 510/06, which deals with names that are not eligible for protection as a PDO/PGI.

We take the view that this article does not appear to reflect appropriately the significance of trademark rights and treats trademark rights differently than the names of plant variety and animal breeds:

- According to paragraph 2, a name may not be registered as a designation of origin or geographical indication where it conflicts with the name of a plant variety or an animal breed and as a result is likely to mislead the consumer as to the true origin of the product.
- Under paragraph 4, on the other hand, a name proposed for registration shall not be registered where, in the light of a trademark'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.

Accordingly, there is a requirement of reputation and renown and the length of time of use for trademarks, but not for names of plant varieties and animal breeds.

As stated earlier, conflicts between trademarks and geographical indications should be resolved on the basis of the general principle of "first in time, first in right." Bearing in mind that trademark owners have the exclusive right to prevent third parties from "using in the course of trade identical or similar signs" that would result in a likelihood of confusion, this right is to be recognized independently of a qualification as to the reputation and renown and the length of time it has to be used.

Recommendation: The reference to a trademark's "reputation, renown and length of time of use" in the grounds for opposition should be deleted.

Article 10 - Grounds for opposition

The title of this article is misleading since the article appears to deal with the admissibility conditions for an opposition and the standard of evaluation of the grounds of opposition rather than with the grounds of opposition itself.

In addition, INTA is concerned about paragraph 2 of Article 10 which states that "the grounds for opposition shall be assessed in relation to the territory of the European Union." It is unclear what is meant by "in relation to the territory of the European Union" in this context.

In our view, the proposed new wording raises serious concerns on its compatibility with the obligations to accord protection to trademark rights under the TRIPS Agreement as it could be interpreted to exclude objections based on trademark rights existing only in one or even several EU Member States, and, under the broadest interpretation, would only allow for objection based on EU-wide trademark rights with an EU-wide reputation, thus making opposition procedures only available to a very small sub-set of trademarks.

Recommendation: The wording in the current Regulation should be maintained in order to clarify that prior trademark rights existing in individual jurisdictions can constitute the basis for an opposition, as in the case of Community Trade Mark applications, i.e. it should be made clear that in the case of intellectual property rights, the opposition ground is to be examined with respect to the territory or territories where the said rights are protected.

Article 14 - Relations between trademarks, designations of origin and geographical indications

INTA welcomes the change of the reference date to bring the provision of Article 14(2) in line with the priority principle with new wording similar to the provision of Regulation 2081/92 in its consolidated form prior to the adoption of Regulation 510/2006. However, the qualification that the use and renewal of the trademark may be made "for that product" is somewhat ambiguous.

Recommendation: The words "for that product" should be deleted to make it clear that the right to use and renew the existing trademarks will not be negatively impacted by any designations of origin or geographical indication.

INTA also is concerned about suggestions that Article 14(2) establishes a general coexistence between prior trademarks and later geographical indications. Conflicts between intellectual property rights are to be resolved on the basis of the principles of priority, exclusivity and territoriality. The right to exclude others from use of identical or similar signs where a likelihood of confusion may arise is a core element of the rights to a trademark. This right does not exclude third parties from the fair use of descriptive terms under the terms set out in Article 12 of the Community Trade Mark Regulation and

Article 6 of the Trade Mark Harmonization Directive, which is the appropriate rule on the relation between trademarks and geographically descriptive terms, including geographical indications.

Recommendation: The proposed new second sentence of paragraph 2 should be supplemented as follows: "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 trademarks under the conditions set out in Article 12 of Regulation 207/2009 or Article 6, paragraph 1, letter b) of Directive 2008/95/EC."

Title III - Traditional specialities guaranteed

INTA notes that the proposal envisages a considerable change of the system of traditional specialities guaranteed. The proposed new regime might open up a new area of conflict with trademarks rights that does not appear to be appropriately dealt with in the present draft Regulation. INTA questions whether such a profound change of the current regime is necessary and in line with the needs and request from industry and whether it would not be more appropriate to maintain the current regime as laid down in Regulation 509/2006.

Under the current regime, the registered name as such is not reserved but only protected in order to identify a product with this name as "traditional speciality guaranteed." The proposed text however protects the term as such against any misuse, imitation or evocation. It appears doubtful whether there is a real need to ensure EU-wide compliance with a product specification for a term such as, for example, PIZZA NAPOLITANA (a protected TSG under the current system).

We note that Article 40 establishes that the quality schemes under Titles III and IV - i.e. those relating to traditional specialities guaranteed and optional qualities - shall apply without prejudice to Union rules or those of Member States governing intellectual property and in particular those concerning designations of origin and geographical indications, and trademarks. The scope of this safeguard clause is unclear.

Recommendation: Article 40 should be more specific, such as by establishing that neither the right to use and register a trademark nor to exclude the use of a confusingly similar term is affected by the registration of a term, without prejudice to the grounds of refusal that may be applicable under Regulation 207/2009 ad Directive 2008/95/EC.

Article 48- Opposition procedure

A two-month opposition period is a very short period of time bearing in mind the complex legal issues involving the application of the GI system and the high threshold for objections to meet the threshold of admissibility in accordance with Article 10.

Recommendation: The current opposition period of six months should be maintained, bearing in mind also the possibility of establishing protection for the GIs on a transitional basis. If the current opposition period is not maintained, a mechanism should be introduced by which stakeholders would simply have to give notice of opposition within the initial time period and would be given a further time period to supplement the file prior to the admissibility check. INTA notes that proposals have been made by some members of the European Parliament's Committee on Agriculture and Rural Development to provide for a two-step procedure with an initial notice of opposition and a subsequent time period for providing the full statement of grounds.

Article 51 - Cancellation procedure

It appears that the cancellation grounds are more narrowly framed than under the present system.

Recommendation: The presently applicable ground of cancellation under Article 12(2) of Regulation 510/2006 which establishes that "any natural or legal person having a legitimate interest may request cancellation of the registration, giving reasons for the request" should be maintained.

The second sentence of draft Article 51(1) should be contained in a separate paragraph to clarify that it is a separate ground of cancellation. Cancellation proceedings should be freely available in order to ensure that terms for which there is no actual interest are not maintained as obstacles to competition.

Maintenance of separate legal instruments for GIs designating wines and spirits

Finally, INTA notes that the current proposal only concerns agricultural products and foodstuffs and does not pursue the objective of merging the GI registration regimes for agricultural products and foodstuffs with those for wines and spirits.

Recommendation: If the Spirits Regulation is to be maintained as a separate instrument rather than to be incorporated into a new system, the clause on the relationship between GIs and trademarks in that Regulation (Article 23) should be corrected so to bring the reference dates in its paragraph 2 in line with the wording of Article 14 (2) in the new draft Regulation on agricultural products and foodstuffs and Article 1181 of the Single CMO Regulation (Regulation 1234/2007) (for wine GIs).