

Geographical indication protection for craft and industrial products

2022/0115(COD) - 13/04/2022 - Legislative proposal

PURPOSE: to provide a common legal framework for geographical indication (GI) protection for craft and industrial products.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: for many years, geographical indication protection has been established at EU level for wines, spirit drinks, aromatised wines, as defined at EU level, and for agricultural products and foodstuffs, as protected at EU level. However, at present **there is no EU-wide mechanism** to protect the names of non-agricultural products such as natural stones, jewellery, textiles, lace, cutlery, glass and porcelain.

Several Member States have national regimes for the protection of national geographical indications for craft and industrial products. These regimes differ in terms of protection, administration and fees, and do not offer protection beyond the national territory. Other Member States do not provide for geographical indication protection at national level for such products.

Due to the legal uncertainty resulting from fragmentation, producers face challenges protecting craft and industrial products linked to a geographical area.

CONTENT: the proposal aims to **establish a directly applicable GI protection for craft and industrial products at EU level**. It aims to strengthen the position of producers to protect their craft and industrial products throughout the EU against counterfeiting and to encourage them to invest in these products, to cooperate in creating niche markets and to preserve specific local skills and traditions. The proposal also aims to improve the visibility of authentic craft and industrial products on the markets.

The main elements of the proposal are as follows:

Registration of geographical indications

The proposal would allow for the simple and inexpensive registration of GIs for craft and industrial products through a **two-stage application procedure**. The first stage would take place at Member State level, where national and local authorities would carry out an initial examination of the specifications agreed by local producers and their GI applications. The second stage would take place at EU level, where the European Union Intellectual Property Office (EUIPO) would take a decision on registration, on which no fee would be charged.

The proposal establishes an **exceptional scheme** for direct procedures before the Office for applicants from a Member State that meets certain conditions on the date of adoption of this Regulation, and do not therefore designate a national authority for the management of the procedures for registration, amendments to the product specification and cancellation of the registration in respect of GIs. Member States that opt for this exceptional registration scheme must designate a contact point for the registration procedure under EUIPO, and a competent authority for the controls and enforcement.

Protection of geographical indications

The level of GI protection for craft and industrial products is defined in the proposal. It also sets out rules for GIs when used as parts or components in manufactured products, clarifies generic terms and registration of homonymous GIs, as well as the relationship with trademarks. It provides rules for producer groups. The relationship with the use of protected terms in internet domain names is defined. The proposal includes the rules for the use of Union symbols, indications and abbreviations on the labelling and advertising material of the product concerned.

Controls and enforcement

Controls would include verification that a product designated with a GI has been produced in accordance with the relevant product specification and control of the use of GIs on the market. With regard to verification and control, the proposal provides for two procedures concerning the control of producers.

While Member States are required to designate the competent authority responsible for the official controls to verify compliance with this Regulation, they are free to introduce a third-party certification procedure operated by competent authorities or delegated product certification bodies, or a procedure based on the producer's self-declaration. Besides producer controls, the proposal also sets out rules for Member States on how to prevent or stop any other misuse of GIs in their territory. In addition, it aims to prevent the misuse of GIs on online platforms.

International protection of GIs

The proposal aims to ensure that producers can fully benefit from the international framework for the registration and protection of GIs ('Lisbon system'). In November 2019, the EU acceded to the Geneva Act of the Lisbon Agreement on Appellations of Origins and Geographical Indications, a treaty administered by the World Intellectual Property Organization (WIPO). EU producers of GI products cannot currently claim protection under the Geneva Act and the EU has to reject requests for such protection from members of the Geneva Act. In the same vein, EU producers cannot benefit from the protection granted by EU trade agreements that currently only cover agricultural GI products. The proposal aims to close this gap.

BUDGETARY IMPLICATIONS: the proposal has no implications on the EU budget. The EUIPO, which is entirely self-financing, will manage and fund the registration process at the EU and international level out of its budget.

As far as national administrations are concerned, 16 Member States (Belgium, Bulgaria, Croatia, Czech Republic, Estonia, France, Germany, Hungary, Italy, Latvia, Poland, Portugal, Romania, Slovakia, Slovenia and Spain), where national GI schemes for craft and industrial products are already in place, are not expected to incur additional administrative costs.

Due to the small number of potential applicants for GI protection for craft and industrial products in the EU (around 300 registrations are expected over 10 years), the costs at national and EUIPO level do not appear to be substantial. They are estimated at around EUR 860 000 annually for the EU as a whole.