

Geographical indications for agricultural products and foodstuffs explained

Published by AGRINFO on 30 Nov 2022

Summary of EU quality schemes providing legal protection for the use of geographical indications and GI application procedures

Regulation (EU) No <u>1151/2012</u> of the European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products and foodstuffs

Update

Background information summarising the various EU quality schemes aimed at providing legal protection for the use of 'geographical indications' and GI application procedures.

Background

Geographical indications (GIs) identify products that have qualities, characteristics or reputation linked to their place of origin. GIs are a form of intellectual property right that protect producers against the bad faith or fraudulent use of these names by third parties.

The EU legal framework – Regulation (EU) No <u>1151/2012</u> on quality schemes for agricultural products and foodstuffs – allows registration of different types of product name for agricultural products, according to the relationship between product and place of origin.

- Protected Designation of Origin (PDO): the quality or characteristics of the product are essentially or exclusively linked to the particular geographical environment (natural and human factors); all stages of the value chain must take place in a defined geographical area.
- Protected Geographical Indication (PGI): the quality, reputation or other characteristic is
 essentially attributable to its geographical origin. At least one of the production steps must
 take place in the defined geographical area.
- Traditional Speciality Guaranteed (TSG): producers can also register traditional production methods and recipes. These are not intellectual property rights as such, but aim to help producers in marketing and communicating value-added attributes.

Separate rules have been adopted for quality schemes for wine (Commission Implementing Regulation (EU) 2019/34), spirit drinks (Regulation (EU) 2019/787), aromatised wines (Regulation (EU) No 251/2014) and mountain products (Commission Delegated Regulation (EU)





No 665/2014).

Registered names are protected against:

- direct or indirect commercial use of the registered name by products not covered by the registration
- misuse or imitation of the registered name (including through the use of expressions such as "style" or "type"), even if the true origin of the product is indicated
- any other false or misleading indication as to the provenance or nature of the product
- any other practice liable to mislead consumers as to the true origin of the product.

Protection of GIs in the EU initially covered wine in the 1970s, and was extended to agricultural products and foodstuffs in 1992. The EU register of GIs today contains almost 3300 names of wines, spirit drinks, agricultural products and foodstuffs. In 2017, the sales value of GIs was estimated at €77.15 billion: 51% of this value was for wines, 35% for agri-food products, and 13% for spirit drinks (ECORYS & COGEA 2020).

eAmbrosia is a register of EU GIs and applications for GIs.

LEGAL FRAMEWORK IN BRIEF

Application

An application for registration of a name is generally made by a group of producers or processors of an agricultural product. Where a geographical area crosses the border between two countries, a joint application may be made by several groups.

An application for a PDO or PGI must contain a product specification (Regulation <u>1151/2012</u>, Art. 7) that includes at least:

- name to be protected, as used in trade or common language
- description of product and its principal physical, chemical, microbiological or organoleptic characteristics
- definition of geographical area
- evidence that the product originates in the defined geographical area
- description of methods of obtaining the product
- details of the link between the quality or characteristics of the product and the geographical environment
- name and address of the authorities verifying compliance with the product specification
- any specific labelling rules.





Registration process

Detailed rules regarding PGI and PDO applications are set out in Commission Implementing Regulation (EU) <u>668/2014</u>. The Commission provides guidance for applicants wishing to register a PGI or PDO (<u>European Commission 2012</u>).

Use of EU symbols

For EU products with a registered PDO or PGI, labelling or advertising materials for these products must include relevant EU PDO/PGI symbols.

For third country products with a registered PDO or PGI, the symbols may appear on labelling, but is not compulsor.

What are the major implications for exporting countries?

What are the benefits of EU GIs?

The main benefit is the protection a GI provides against misuse or fraudulent use of a protected name by third parties. A GI can establish certain conditions for the use of a name, ensuring the quality of the product is secured. For example, the certification scheme for Darjeeling tea ensures that this name can only be used for 100% Darjeeling tea that is sold by a registered Darjeeling seller. Prior to the registration, some sellers in the EU were marketing as Darjeeling tea containing only 51% Darjeeling, potentially jeopardising the quality and reputation of the tea (ECORYS & COGEA 2020).

Does securing an EU PGI mean greater sales or higher economic value?

There is no evidence that securing a GI has an impact on sales or the value of exports from third countries. Many products with a registered GI − 55% of third country GIs in 2020 − were not actually exported to the EU (ECORYS & COGEA 2020). But many exporters consider EU GIs to be valuable due to the worldwide recognition they provide. Protection of GIs in Free Trade Agreements has also been shown to have a limited impact on exports (Curzi & Huysmans 2022). The sales value of third country GIs was estimated at around €6.8 billion in 2019, equivalent to about 0.6% of the total sales value of products with GIs on the EU market (€58 billion) (ECORYS & COGEA 2020). A recent study concluded that there was a "massive lack of relevant economic data to support GI policy" (Török & Moir 2018).





Do many EU trading partners register GIs?

As of 2020, 145 third-country (excluding the UK) PGIs had been registered, 110 of which have been registered recently following a bilateral agreement with China (<u>European Commission 2019</u>). These include GIs from several AGRINFO partner countries: Cambodia, Cameroon, China, Colombia, Dominican Republic, Mongolia, Thailand and Vietnam. In addition, the UK has 79 registered PGIs that continue to be recognised by the EU following Brexit.

Can a non-EU GI be enforced in the EU?

Some sectors with non-EU GIs have indicated problems with their enforcement. Darjeeling producers have suggested that some misuses of the name continue in the EU, in spite of the improvements that accompanied GI protection. Producers of the protected Café de Colombia also point to problems of compliance, in particular controls of use of the PGI when coffee is an ingredient in a composite product (ECORYS & COGEA 2020).

Resources

Curzi, D. & Huysmans, M. (2022) <u>The impact of protecting EU geographical indications in trade agreements.</u> American Journal of Agricultural Economics, 104: 364–384.

ECORYS & COGEA (2020) <u>Evaluation support study on geographical indications and traditional</u> specialities guaranteed protected in the EU.

EU (2010) Geographical indications and designations of origin. Summary of EU legislation.

European Commission (2012) Guide to applicants: How to compile the single document.

European Commission (2019) <u>Landmark agreement will protect 100 European Geographical</u> Indications in China.

Török, A. & Moir, H.V.J. (2018) <u>The market size for GI food products – Evidence from the empirical economic literature</u>. Studies in Agricultural Economics, 120: 134–142.

Sources

Regulation (EU) No 1151/2012

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