



Committee on Agriculture and Rural Development

WORKING DOCUMENT

on a Regulation of the European Parliament and of the Council on European Union geographical indications for wine, spirit drinks and agricultural products, and quality schemes for agricultural products, amending Regulations (EU) No 1308/2013, (EU) 2017/1001 and (EU) 2019/787 and repealing Regulation (EU) No 1151/2012

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Rapporteur: Paolo De Castro

The Union implements a quality policy that aims to protect the names of certain agricultural and food products. The objective is to promote the unique features of those products, linked to their geographical origin and the traditional know-how behind their production. The Union's quality policy on Geographical Indications (GIs) and Traditional Specialities Guaranteed (TSG) covers 3424 names originating from the Member States and registered in the Union¹, as well as several other GIs registered by third countries or protected through trade agreements. According to a study on the economic value of Union quality schemes published by the Commission in February 2021², GIs alone represent a sales value of EUR 74,8 billion. The study found that the sales value of a product with a protected name is often double that of similar products without a certification.

The Commission proposal for a Regulation to reform the above-mentioned quality policy, adopted on 31 March 2022, has the objective of strengthening the Union system of GIs, increasing the uptake of GIs across the Union, shortening the registration time, and increasing correct market perception and consumer awareness of the GI policy and Union symbols. Those measures would enable consumers to make informed purchasing choices and achieve a higher level of protection, particularly online. Although the Union system of GIs is robust, the evaluation of the policy and the impact assessment accompanying the Commission proposal have shown that there is some room for improvement, intending in particular to strengthen the system of GIs which is key to the provision of high-quality food and the protection of cultural, gastronomic and local heritage across the Union.

In particular, the proposed measures would:

1. extend the scope of the Regulation to more agricultural products;
2. simplify and harmonise the procedures for application for registration of new names and amendments to product specifications for wines, foodstuffs and spirit drinks;
3. encourage producers to adopt or enhance their sustainable practices;
4. clarify that the name of a processed product cannot include a GI name unless agreed with the GI producer group concerned;
5. introduce the possibility for the Member States' authorities to designate a recognised GI producer group;

¹ European Commission, 'Commission Staff Working Document: Accompanying document to the document to the Impact Assessment Report of the Proposal for a Regulation of the European Parliament and of the Council on European Union geographical indications for wine, spirit drinks and agricultural products, and quality schemes for agricultural products, amending Regulations (EU) No 1308/2013, (EU) 2017/1001 and (EU) 2019/787 and repealing Regulation (EU) No 1151/2012' SWD(2022) 136 final.

² European Commission, Directorate-General for Agriculture and Rural Development, *Study on economic value of EU quality schemes, geographical indications (GIs) and traditional specialities guaranteed (TSGs) : final report*, Publications Office, 2021, <https://data.europa.eu/doi/10.2762/396490>

6. increase the protection as regards online sales, with a focus on the Domain Names System (DNS);
7. confirm the flexible approach for the wine and spirit drinks sectors, allowing them to choose whether to use the Union symbol in their labelling;
8. formalise the role of the European Intellectual Property Office (EUIPO) as a provider of technical assistance in the examination of applications, their publication, and handling of oppositions;
9. introduce a GI certificate, at a request of a producer, to be issued by the national authorities;
10. introduce a single Geographical Indications Committee for all GI products, to assist the Commission;
11. simplify the criteria for the registration of TSGs.

The rapporteur welcomes the Commission's objective, as this proposal offers the possibility of creating for the first time a genuine single Union text on quality products, with greater alignment and clarity between all different sectors, while preserving their specificities. However, the proposal needs to be improved and expanded in order that the reform results in strengthening and renewing a system without equal in the world, capable of creating value without the need to invest any public funds.

In order to do this, four main pillars have been identified on which to hinge the work:

- 1. strengthening the role of producer groups;**
- 2. greater protection;**
- 3. simplification and the role of the EUIPO; and**
- 4. sustainability.**

STRENGTHENING THE ROLE OF PRODUCER GROUPS

Producer groups represent the real driver for the development of GIs, and should continue to be only in the hands of producers and of those operators involved in the different production phases.

The rapporteur welcomes the objective of strengthening the role of producer groups, replicating the best practices already implemented by some Member States, and safeguarding the existing specificities and flexibilities in terms of their recognition. In that respect, an increased set of responsibilities and rights should be allocated to recognised producers groups, not only as regards the protection of GIs (on both the physical and digital markets) or the management of supply, but also the possibility of introducing a system of compulsory erga-omnes contributions, requiring all producers to contribute fairly to the activities, provided for in the Regulation, performed by the producer groups.

Furthermore, in order to prevent some producers from feeling that they derive insufficient benefit from the GI, to improve transparency towards consumers and ensure that GIs are recognisable and distinguishable, and also to strengthen producers' bargaining power in relation to their customers, all producers groups should have the possibility to include in their product specification the obligation of indicating on the label the name of the producer, in a clear, visible and legible way.

GREATER PROTECTION

The Commission proposal represents a step forward with regard to GI protection, but further improvements are still possible, starting with the definition of "evocation". Any such definition should represent only a minimum basis, which does not limit the possibility for the Court of Justice of the European Union to broaden its interpretation, perhaps by adding additional elements — in addition to terms and symbols — that could constitute a direct and clear link with a GI, such as colour or taste.

As regards online protection, it will have to become *ex officio*: whenever domains unfairly exploit a GI, at the request of the producer group concerned or of a national competent authority, such domains must be immediately closed or assigned to the producer group. In addition, it must be clarified how that protection will apply also to the ".eu" domain.

With regard to ingredients, the use of GIs names in the name of the processed product should be prohibited, unless the producer group concerned or the national competent authority grant their use through an official authorisation procedure.

In order to strengthen international protection, provision should also be made for rapid modifications to product specifications, in order to include new translations and transcriptions of GIs, that are developing both offline and online.

SIMPLIFICATION AND ROLE OF THE EUIPO

With the aim of streamlining and simplifying the registration and amendment procedures, a clear timeframe for the Commission's scrutiny of the GI registration request needs to be set, reducing it to five months, which could be extended by further three months only in duly justified cases. The same timetable must apply to the scrutiny of amendments to product specifications.

In addition, the list of Union amendments should be limited to modifications that involve restrictions on the marketing of GI products, as well as changes of names, having effects on the internal market. All other amendments, irrespective of the economic dimension of the GI, should be managed exclusively at national level, with the timeframe set at Union level and mandatory notification to the Commission, thus avoiding a double scrutiny that, based on experience to date, significantly slows down every registration and amendment procedure.

The number of dossiers to be analysed at Union level will therefore be significantly reduced. For that reason, there is no need for greater involvement in the scrutiny of registrations and amendments to the product specifications of the EUIPO, which does not have those agricultural competences, inherent in rural development, which can be made available by DG AGRI.

The EUIPO will make an important contribution to the protection and promotion of GIs and the elimination of infringements in the internal market, in third markets, and online, in particular by:

1. adequately protecting GIs in the registration of online domains;
2. developing a Union alert system to improve the fight against online counterfeiting of GIs;

3. supporting the Commission in opposition procedures for aspects relating to intellectual property, such as conflict with trademarks; and developing a comprehensive, open and easy-to-use European GI register, based on the current GI view platform, which should contain all the necessary information on the functioning of the GI system;
4. launching cancellation procedures for those GIs which are marketed for a significant, uninterrupted period; and
5. organising permanent networks, bringing together the competent national authorities, in order to share experiences and best practices at Union level, and representatives of producer groups, involving them also during the negotiation of international trade agreements.

Provision should also be made for ad hoc derogations on the origin of feed for protected designation of origin products, allowing the minimum rates of use of feed from the production area to be temporarily modified, in order to cope with emergency conditions of a climatic, economic or geopolitical nature.

SUSTAINABILITY

The introduction, on a voluntary basis, of additional sustainability commitments to be respected in the production of GI products is certainly a positive element, which can strengthen the reputation and visibility of a GI. However, the very nature of GIs and their centuries-old tradition confirm that they are already sustainable products. For that reason, producer groups should better communicate what they already do in terms of social and environmental sustainability, as well as animal health and welfare, in an ad hoc sustainability report accompanying their product specification, to be published on the Union portal, giving consumers the possibility to better understand all the different quality aspects behind GI products.

There will be no need for the Commission to adopt delegated acts laying down sustainability standards in different sectors and criteria for the recognition of existing sustainability standards, as such a generalisation would run counter to the protection of the specific characteristics of individual products and sectors.