



ENJOY
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EUROPE



Geographical Indications (GIs)

opportunities for International Trade

Nuno VICENTE, European Commission

Seminar on EU production standards for agri-food products

Hanoi-Brussels, 8 October 2020

Porto / Port

Roquefort

Queso Manchego

Dingač

Jerez / Sherry

Φέτα / Feta

Cognac

Pálinka

České pivo

Gorgonzola

Münchener Bier

Vinho Verde

Genièvre / Jenever / Genever

Tiroler Speck

Tokaj

Murfatlar

Polska Wódka / Polish vodka

Irish Cream

Mortadella Bologna

Schwarzwälder Schinken

Μαστίχα Χίου / Masticha Chiou

Gouda Holland

RIOJA
Denominación de Origen Calificada



Legal Framework for GIs

- **WTO:** TRIPS agreement as framework - Articles 22-24 (no register, legal basis for bilateral agreements)
- **WIPO:** Geneva Act of the Lisbon agreement (multilateral register)
- **EU:** Four sets of rules for **food**, **wine**, **spirit drinks** & **aromatised wines** (EU register). Exclusive EU systems as regards the 4 sectors
 - ❖ Agricultural products and foodstuffs - Regulation (EU) No 1151/2012
 - ❖ Wines – Regulation (EC) No 1308/2013
 - ❖ Spirits – Regulation (EU) No 2019/787
 - ❖ Aromatised wines - Regulation (EU) No 251/2014



EU Quality Designations

1. Defined geographical area

+

2. Specific product

+

3. Link between 1. and 2.

=

PDO
PGI **GI**



- **PDO**
Protected Designation of Origin
& wine)



- **PGI**
Protected Geographical Indication
& wine)





- **GI**
Geographical Indication
aromatised wines)

(s)



EU Quality Designations

	PDO 	PGI 
Name	Identifies a product originating in a specific place, region or (exception) country	Identifies a product originating in a specific place, region or country
Link with geographical area	Quality or characteristics essentially or exclusively due - natural/human factor	Quality, reputation or other characteristic essentially attributable
Production steps	All in geographical area	At least one in geographical area
Raw materials	Geographical area (variety <i>Vitis Vinifera</i> for wine)	Anywhere (85% grapes from geographical area for wine)

Protection of PDO/PGI in the EU

- Valuable **intellectual property right** (collective right)
- Protection of the **name** not of the product
- Against any **misuse, imitation or evocation** and any other practice liable to mislead the consumer
- Right to use: applies to **any operator within the geographical area** respecting product specification
- Protection **unlimited in time** (but possibility of cancellation if compliance with the product specification is no longer ensured)



EU GIs: what is in it for consumers?

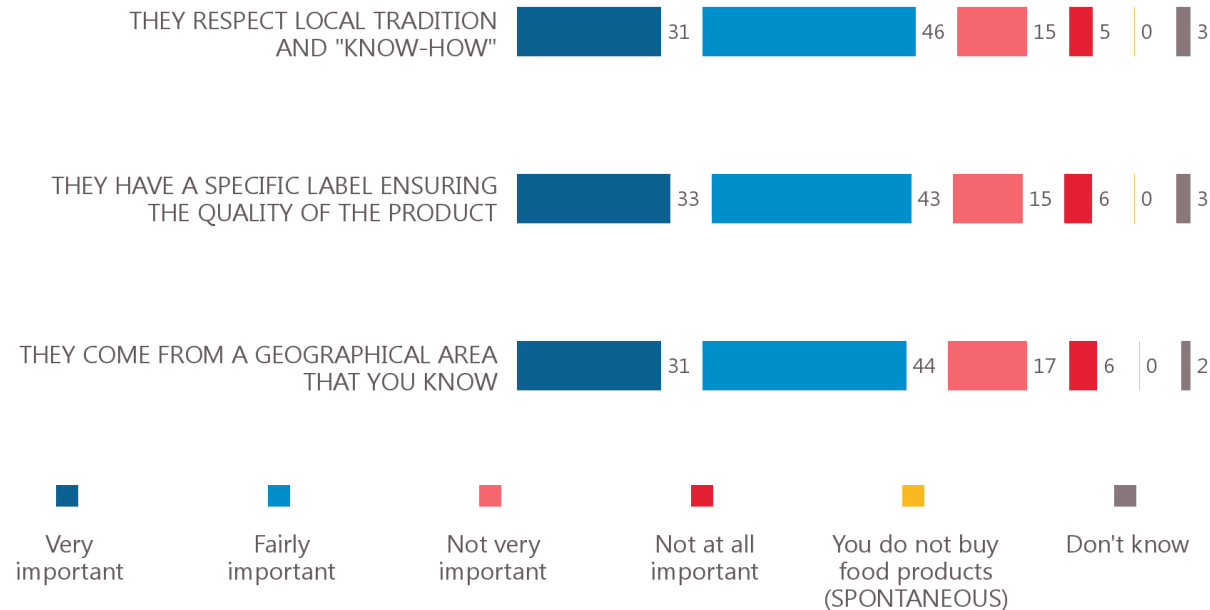
- The EU GI system provides guarantees on the:
 - ✓ **Origin** of the product
 - ✓ **Quality** of the product (specification)
 - ✓ **Authenticity** of the product (protects product names from imitation)
- It reinforces consumer information on the **unique character** of these products
- It preserves **centuries of tradition**, cultural heritage and know-how.
- It is ensured by **controls** on production site and on the market
- It **prevents the standardization** of products and allows to offer a **wider choice to consumers**



EU GIs: what is in it for consumers?

Factors influencing European consumers food product purchases:

QC13 How important or not are the following factors in your decision to buy food products?
(% - EU)



Special Eurobarometer 473 – Europeans, Agriculture and CAP, February 2018

Labels most identified by consumers:



EU GIs: what is in it for producers?

- The **GI name is reserved** to products respecting the specification
- Production is kept in the geographical area, **protecting local value at global level**
- The GI name is not reserved to one single producer, but **can be used by all producers in the production area** respecting the specification (collective IP right)
- **Administrative protection** by Member State public authorities for EU wide protection
- Differentiation on the market allows often a **better price**
- Organisation of farmers in producer groups provides the opportunity for **stronger position in the agri-food supply chain** and better distribution of value added



EU GIs: what is in it for producers?

➤ Value premium!

«This study confirms a significant positive effect of GIs on price, regardless of the type of product, the region of origin, and whether the GI is long-established or recently registered. ... In most cases, the premium is between 20 and 50 percent.»

Strengthening sustainable food systems through geographical indications. An analysis of economic impacts – FAO / EBRD, 2018

➤ EU GIs economic figures:

➤ Estimated total **sales value** of EU GIs: € 75 billion in 2017 (estimated at wholesale stage in the region of production)

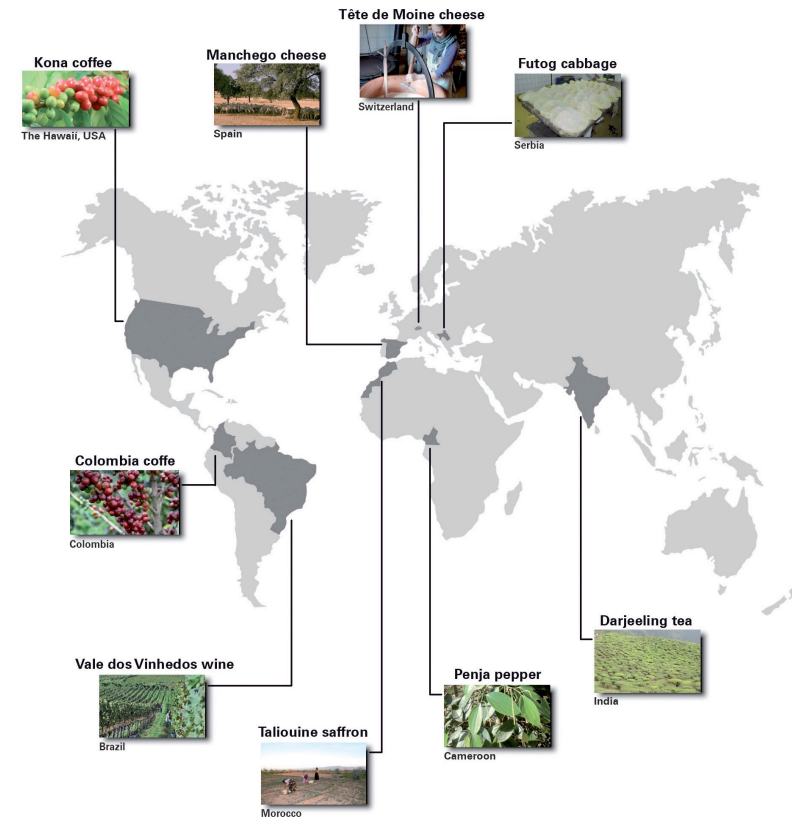
= 6.8% of the total EU food and drink sector

➤ Estimate of **EU GI exports value to non-EU countries**: € 17 billion in 2017

= 15% of EU food and drink exports; wines & spirits: 89% of total GI exports (in value)

➤ **Sales destinations:**

= **58%** of sales take place on the national MS market, **20%** on the EU market and **22%** in third countries



EU GIs: role of producers groups

❖ Application process

(... may only be submitted by groups who work with the products – Art. 49 R. (EU) 1151/2012)

❖ Product

(... ensuring quality, reputation and authenticity, market monitoring - Art. 45 R. (EU) 1151/2012)

❖ Legal protection

(ensure adequate legal protection, intellectual property rights – Art. 45 R. (EU) 1151/2012)

❖ Promotion

(develop information and promotion activities, communicate value-adding attributes to consumers - Art. R. (EU) 1151/2012)

❖ Compliance

(develop activities related to ensuring compliance of product with specifications (not in replacement of Official Control) – Art. 45 R. (EU) 1151/2012)

❖ Development

(improve performance of the scheme, economic expertise, advice to producers – Art. 45 R. (EU) 1151/2012)



N.B. **third country producer groups** can also apply directly for protection at EU level!
The GI “**Phú Quốc**” is individually protected at EU level since 2012!
Article 49(5) of R. (EU) 1151/2012)



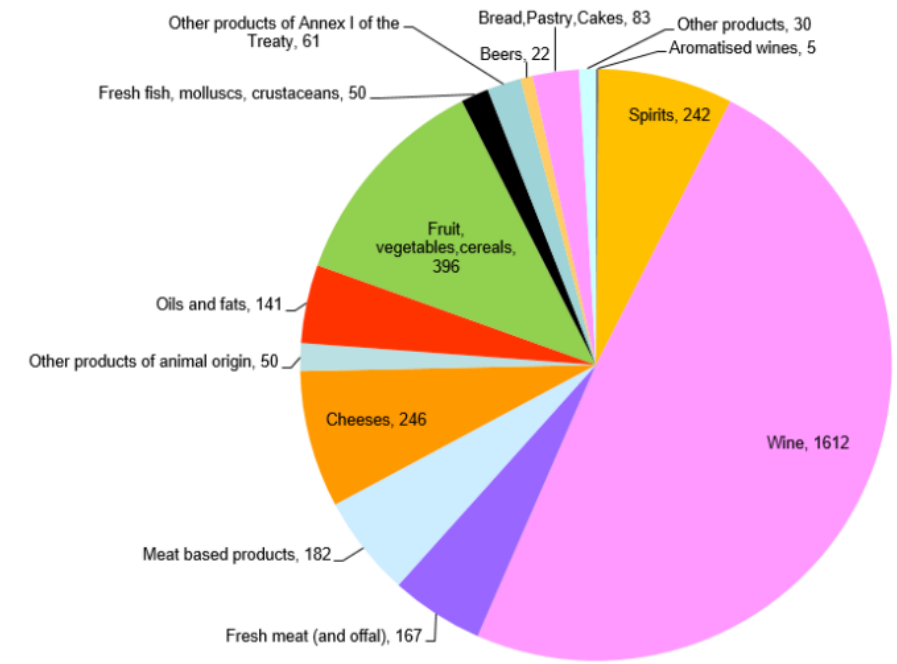
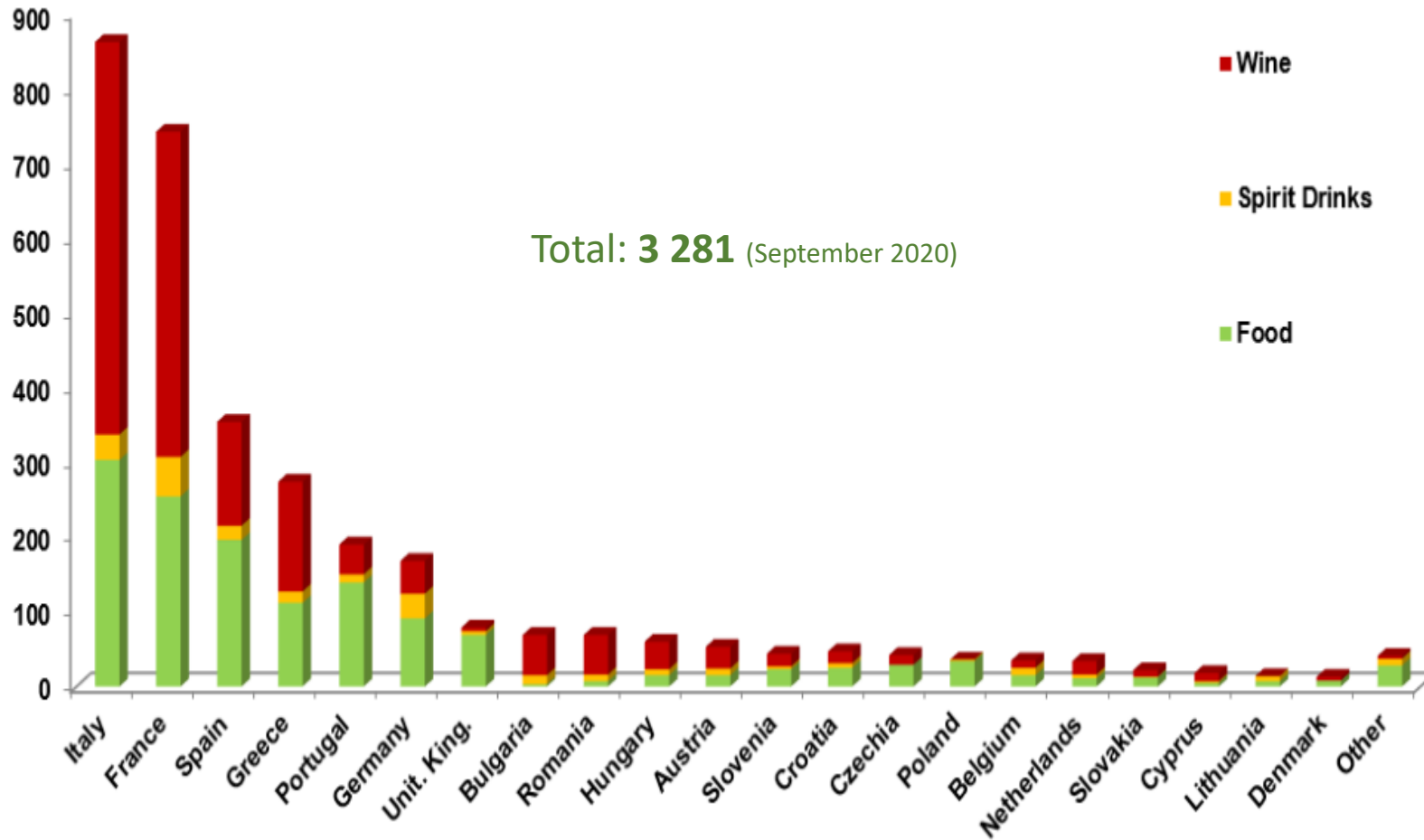
GIs as marketing tools



- **Geographical indications are distinctive signs** used to differentiate competing goods. They function as product differentiators on the market
- The role of labels and logos - **brand recognition** is an essential aspect of marketing.
- **Consumers are prepared to pay more for such products** Specific markets for products linked to their place of origin.



GIs registered and protected in the EU



EU official controls system

- **Product compliance** with the corresponding specification
 - *Before placing the product on the market*
- Use of the name **in the marketplace**
 - *Checks based on a risk analysis*
- Audits by Food and Veterinary Office (DG SANTE)
- Customs Controls (DG TAXUD and MS customs)
- Trade mark examinations (EUIPO and MS IPOs)



Protection of EU GIs in Third Countries

- In Bilateral Agreements (FTAs, wines & spirits or only GIs) the EU aims at:
 - ✓ “High level” of Protection of GIs beyond TRIPS (similar to EU)
 - ✓ Reciprocal protection (GIs protected directly and indefinitely)
 - ✓ Co-existence of GIs with prior TM registered in good faith
 - ✓ Ensuring administrative enforcement
- Currently there are:
 - 36 agreements in force or concluded with GI chapters (e.g. Vietnam, China, Japan, South Korea, Singapore, Mercosur, Mexico, Canada)
 - 13 negotiations ongoing (e.g. Indonesia, New Zealand, Australia)
- Over 1500 third country GIs currently protected in the EU via agreements

EU-Vietnam FTA (EVFTA)

- EVFTA in force since **1 August 2020!!!**
- Ambitious provisions for GI protection
- High level of protection for:
 - **169 EU GIs** in the Vietnamese market
 - **39 Vietnam GIs** in the EU-27 Single Market



- Bilateral dialogue and technical cooperation
- **Solid foundation for EU – Vietnam bilateral trade of quality products**



Geneva Act of the Lisbon Agreement

- **Multilateral** system of Registration
- 1958: Lisbon Agreement
 - (only Appellations of Origin 'AO')
- 20 May 2015: modernized Agreement
- **"Geneva Act of the Lisbon Agreement"**
 - expands the scope beyond AOs to all GIs
 - Open to intergovernmental organizations
- EU deposited the act of accession on 26/11/2019. Since the EU was the fifth acceding contracting party, the **Geneva act entered into force on 26/2/2020**
- **Vietnam considering to join?**





Thank you for your attention!!

For more information:

EU Quality policy web-page

http://ec.europa.eu/agriculture/quality/index_en.htm

