

EU-China geographical indications agreement

On 6 November 2019, the EU and China concluded negotiations on a standalone agreement on cooperation on, and protection of, geographical indications (GIs), i.e. distinctive signs attached to (mainly) agricultural products that have a given quality, reputation or other characteristics that are attributable to their specific geographic origin. GIs are a type of intellectual property right (IPR) protected at multilateral level under the Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS), and in the EU under a *sui generis* GI protection regime. The reciprocal EU-China agreement seeks to protect 100 EU GIs in China and 100 Chinese GIs in the EU against imitation and usurpation. On 20 July 2020, the Council endorsed its signature, and the European Parliament has now to give its consent for the agreement's conclusion. Once in force, the agreement could help boost EU exports of high-quality foodstuffs, wines and spirits to the EU's third-largest destination for agrifood exports, and foster rural development. It would also expand global recognition of the EU's *sui generis* GI protection regime, a key EU trade policy objective.

Background on EU-China cooperation on GIs

The EU-China GI agreement is the result of long-standing EU-China technical cooperation on IPR issues that was institutionalised with the establishment of the [EU-China IPR Dialogue](#) in 2003. This cooperation led to a '[10+10 \[GI\] Pilot Project](#)', running from 2007 to 2012, that was aimed at registering EU GIs for the first time as GIs under the [EU-inspired](#) Chinese *sui generis* protection regime, which initially protected only Chinese GIs, rather than as certification or collective trademarks under the [US-modelled](#) Chinese [trademark regime](#). In 2010, when the European Commission estimated the total value of GI exports to China at more than [€650 million](#), the Council [endorsed](#) a [mandate](#) for the Commission to negotiate an EU-China agreement for **100 GIs from each side**, selected on the basis of [objective criteria](#) such as economic value, export potential and the risk of counterfeiting. In 2017, lists of 100 EU and 100 Chinese GIs were [published](#) for public comment, before agreement on the substantive protection provisions was [reached](#) in late 2019. The Council [endorsed](#) the deal's signature in July 2020, paving the way to Parliament's [consent procedure](#).

Structure of the EU-China GI agreement

The [GI agreement](#) is made up of 13 articles. They contain provisions on established GIs, setting out the essential elements of the registration procedure, on GIs to be added in the future (**175 GIs from each side**), on the scope of GI protection, on the right to use GIs, emphasising that protected GIs 'shall not be subject to any administrative approval of users or further administrative charges', and on the relationship between GIs and trademarks. As for GI enforcement, GI holders would have the right to request enforcement action and to seek judicial enforcement independently. A Joint Committee would be tasked with monitoring the implementation of the agreement. Provisions on cooperation, exchange of information and transparency are complemented by provisions on regular reviews. Six annexes are attached to the agreement, such as on the relevant legislation of the parties, the technical specifications for GI registration, 100 GIs from China, 100 GIs from the EU, 175 GIs from China and 175 GIs from the EU, with the latter two GI lists to be registered within four years of the entry into force of the agreement. Newly registered EU GIs would co-exist with earlier trademarks. For a few terms currently in use, such as feta, phasing-out periods are set. [It would be up to](#) EU GI holders to seek under Chinese trademark law the [cancellation](#) of [counterfeit trademarks](#) that are homonymous with EU GIs. [Counterfeiting](#) of wines, notably from [France](#), has remained a big issue in China.

EU GIs' export potential to the high-growth Chinese agrifood market

China's growing middle-class is [wary](#) about [domestic food safety](#) following a string of [scandals](#), and is [keen on](#) imported [high-quality](#) and potentially high-priced food and beverage products that are often GI-protected. The GI agreement is likely to give a further boost to the recent strong **rise in EU exports** to the Chinese market, as shown in Figure 1. Nonetheless, it goes without saying that GI-protected exports to China remain a sub-set of total agrifood exports to China, albeit with solid growth potential (see box). From 2009 to 2019, EU agricultural exports to China soared by almost 22 %. Imports grew by 6.4 %. Food

preparations, wines and spirits – among which EU GIs are particularly abundant – but also meat, not GI-protected, saw the biggest growth rates.

In 2019, **China** was the EU-27's **third-largest export market** for agricultural goods, with €14.5 billion or 8 % of total EU-27 agricultural exports, after the United Kingdom (22.7 %) and the United States (US) (12 %). China was the EU-27's fifth-largest import market for agrifood, accounting for €5.3 billion or 4.4 % of total EU-27 agricultural imports after the United Kingdom (13.8 %), Brazil (8.8 %), the US (8.4 %), and Ukraine (5.8 %).

The **top EU export items** in 2019 were pork meat (22.7 %, up 232.5 % from 2018, largely driven by the impact of [African swine fever](#) in China), infant food and other cereals or milk preparations (16.7 %, up 5.6 %), offal, animal fats and other meats (11.7 %, up 65.8 %), wine, vermouth, cider and vinegar (6.0 %, down 9.6 %), milk powders and whey (5.1 %, up 29.4 %).

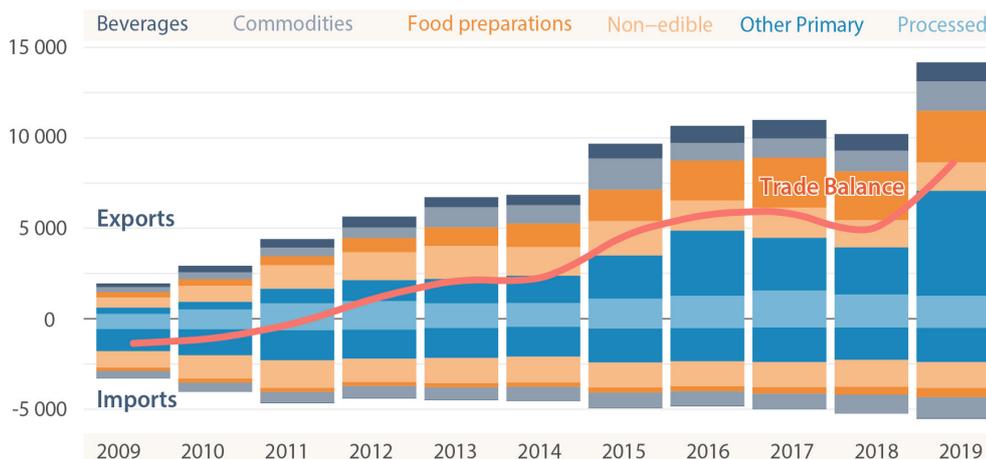
The EU's and China's approaches to GI in trade policy

The EU GI policy has [sought to](#) broaden the scope of GI protection of [Article 23](#) TRIPS Agreement which is limited to wines and spirits. Owing to resistance at international level, the EU has [pursued](#) a **strategy of boosting the recognition of its *sui generis* GI protection regime** through standalone agreements or dedicated chapters in preferential trade agreements, mostly asymmetrically in terms of the number of GIs covered, and of establishing [TRIPS-plus priority rights](#). Conflicts between EU GIs protected under the *sui generis* regime in China and generic GI names, e.g. [feta](#), used by competing non-EU exports protected under a distinct trademark regime [may arise](#). Driven by concerns over EU trade negotiations with China and [Mexico](#), the US in its trade deals with [China](#), [Canada](#) and [Mexico](#) included regulatory requirements to ensure US market access based on trademark-protected [common names](#) for food products. Unlike the EU, China has rarely covered GIs in its trade deals, but seems set to change course. Like the EU, it has been [in favour of](#) creating a [multilateral GI register](#) and of extending GI protection to [non-agricultural products](#).

EU GIs significant trade value

Both the EU's [more than](#) 3 400 GIs and the [2 385](#) Chinese GIs (under its *sui generis* protection scheme; as of end-2019) have a considerable trade value. According to a 2019 study, EU GIs represented a sales value of [€74.76 billion](#) in 2017. The total EU sales value covered by GIs grew by [37 %](#) between 2010 and 2017, with total exports accounting for €31.42 billion (42 % of sales in 2017, 20 % for intra-EU trade and 22 % for exports to non-EU countries). Wines were the most important products in terms of total sales value (51 %) and extra-EU trade (50 %).

Figure 1 – Structure of EU-China trade in agricultural goods, € billion



Source: [EU agrifood trade with China](#), European Commission, March 2020.

Table 1 – Overview of the EU's GI agreements [in force](#) as of March 2020

Types of agreement	Scope of GI protection	Trade partner
Standalone GI protection agreements	Wines	Australia, South Africa (SA), US
	Spirits	Mexico, SA and US
	Wines and spirits	Albania, Bosnia and Herzegovina, Canada (CA), Chile, Iceland, Liechtenstein and Norway
	Agricultural and foodstuffs	Iceland
GI chapter in preferential trade agreements	Agricultural and foodstuffs, wines and spirits	Armenia, CA, Central America, Colombia, Ecuador, Georgia, Japan, Montenegro, Moldova, Ukraine, Peru, Serbia, Singapore, SA, South Korea, Switzerland

Source: Weinian Hu, [Dinner for three](#), CEPS, 2020; see also EU [concluded](#) or [ongoing](#) talks on GI agreements.

