



TEXTS ADOPTED

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Possible extension of geographical indication protection of the EU to non-agricultural products

European Parliament resolution of 6 October 2015 on the possible extension of geographical indication protection of the European Union to non-agricultural products (2015/2053(INI))

The European Parliament,

- having regard to the World Trade Organisation (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS),
- having regard to the Commission Green Paper entitled ‘Making the most out of Europe’s know-how: a possible extension of geographical indication protection of the European Union to non-agricultural products’ (COM(2014)0469),
- having regard to Regulation (EU) No 1151/2012¹ on agricultural products and foodstuffs, the ‘Quality Regulation’,
- having regard to Regulation (EU) No 1308/2013² on wine or vine products, the ‘Single CMO Regulation’,
- having regard to Regulation (EC) No 110/2008³ on spirit drinks,
- having regard to Regulation (EU) No 251/2014⁴ on aromatised wine products,
- having regard to the opinion of the Committee of the Regions of 12 February 2015,
- having regard to the opinion of the European Economic and Social Committee of 18 February 2015,
- having regard to the case-law of the Court of Justice of the European Union regarding geographical indications;
- having regard to the Geneva Act to the Lisbon Agreement for the Protection of

1 OJ L 343, 14.12.2012, p. 1.

2 OJ L 347, 20.12.2013, p. 671.

3 OJ L 39, 13.2.2008, p. 16.

4 OJ L 84, 20.3.2014, p. 14.

Appellations of Origin of 31 October 1958, revised in Stockholm on 14 July 1967 and 28 September 1979, regarding intellectual property and guaranteeing the protection of products marketed internationally and widely reputed for the characteristics of their specific geographical area of origin,

- having regard to Rule 52 of its Rules of Procedure,
 - having regard to the report of the Committee on Legal Affairs and the opinions of the Committee on the Internal Market and Consumer Protection, the Committee on International Trade, and the Committee on Culture and Education (A8-0259/2015),
- A. whereas agricultural products of a specific geographical origin which have certain qualities or are made according to traditional methods may be afforded EU-wide unitary geographical indication (GI) protection;
 - B. whereas the WTO defines geographical indications as ‘indications which identify a good as originating in the territory of a [WTO] Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin’;
 - C. whereas high-quality traditional European products based on traditional know-how and techniques form part of the EU’s cultural heritage, and are an essential element to be preserved within the economy and society of many of Europe’s regions, in that they generate activities directly linked to local ways of life, especially in rural areas, and help increase the overall attractiveness of an area, preserve local identities and promote their distinctiveness, with benefits for tourism, culture, employment and trade;
 - D. whereas such products could help develop new strategies to support entrepreneurship at local and regional level and promote the maintenance of infrastructure and the development of new, skilled employment with links to local areas, with particular reference to rural areas, depressed areas and the most marginal regions, in many of which employment is dependent on typical locally-made products, imparting a fresh impetus to vocational and craft training closely connected to the development of localities and production areas, while also conserving and promoting the unique and diverse heritage of each region;
 - E. recalls that non-agricultural products are an integral part of our identity and are an important element of the Member States’ cultural heritage; emphasises that one of the main challenges faced by this sector is the gradual extinction of traditional skills and crafts, and that the GI protection of non-agricultural products could function as an incentive to preserve this cultural heritage and traditional know-how, and also to guarantee fair remuneration for producers and the originality and widest possible availability of these products;
 - F. whereas the reputation of a geographical indication is an intangible common asset which if not protected may be used freely and without restriction, causing its value to fall and even leading to the loss of the product itself;
 - G. whereas geographical indications can have great economic potential, and affording them proper protection can bring significant benefits, especially for SMEs and EU regions;
 - H. whereas Europe’s regions can boast a wealth of non-agricultural products resting on a very high standard of traditional skills and handcrafts that have helped build their

reputation and represent an integral part of the regional and local culture;

- I. whereas public authorities should protect, foster (when so requested by the private sector), and promote European traditional quality products and their geographical indications;
- J. whereas the quality, reputation and other characteristics of a product can be determined by its origin; whereas certain practices involving the misuse of names can seriously damage a product's reputation as determined by its origin;
- K. whereas because traditional European products are of high quality, and are consequently sought after, their names are open to misuse, to the detriment of both consumers and producers;
- L. whereas proper Europe-wide protection of the geographical indications used to designate non-agricultural products, watching over and monitoring their use and fighting fraud, could help stamp out counterfeiting, avoid unfair competition, and prevent consumers from being deceived;
- M. whereas consumers are showing a growing interest not just in product safety, but also in the origins of products, their authenticity and the methods by which they are produced;
- N. whereas consumers should be able to make informed choices when purchasing goods by being able to identify the origin and quality of the products;
- O. whereas the national laws currently protecting non-agricultural products give rise to different degrees of protection in Member States, which is not in conformity with the aims of the internal market, and is causing difficulties for their effective protection in Europe and in Member States where they are not covered by national legislation, thus pointing up the need for a single system for the protection of geographical indications throughout the EU;
- P. whereas harmonised European legislation could only benefit the EU in international trade negotiations;
- Q. whereas the lack of a unitary EU system for the protection of geographical indications relating to non-agricultural products creates an inadequate and highly fragmented situation in Europe, arising from the fact that some Member States offer no specific protection and others have different definitions, procedures and levels of protection within national and local, sectoral or transversal rules, which have distorting effects that hamper both the harmonious development of the common market and homogeneous protection and effective competition on equal terms, prevent consumers from receiving accurate, truthful and comparable information allowing them to make better-informed decisions, and constitute an obstacle to consumer protection;

Introduction

- 1. Welcomes the Commission's initiative of consulting stakeholders in order to determine whether EU geographical indication (GI) protection could be extended to cover non-agricultural products, as well as the outcome of the consultation which was concluded in October 2014 and clearly favours an EU system of protection based on geographical indications for non-agricultural products;

2. Believes that a protection instrument should be established at European level, as part of a broader strategy for promoting high-quality EU products, based on a stronger commitment from the EU institutions to treat manufacturing and craft industries as a driving force for growth and the completion of the single market, thus enhancing the prestige of locally based manufacturing and handicraft production, supporting local economic development and employment in the areas concerned, boosting tourism, and strengthening consumer confidence;
3. Calls on the Commission to propose without delay a legislative proposal with the aim of establishing a single European system of protection of geographical indications for non-agricultural products, following the results of the stakeholder consultation already carried out, as well as further analyses, and ensuring that the effects of the new system on producers, their competitors, consumers and Member States are fully considered;
4. Emphasises that the introduction of such an instrument will need to be accompanied by information and communication campaigns to familiarise producers and consumers with the new type of GI;
5. Is strongly convinced that extending protection of geographical indications to non-agricultural products could have many and varied positive effects for citizens, consumers, producers and the whole European economic and social fabric;
6. Considers that this system could, in particular, protect consumers more effectively, enhance their trust in labelled products, and help them make better-informed choices about buying products by increasing transparency and eliminating the confusion caused by misleading names or descriptions, particularly if the existence of such a system is efficiently communicated; believes it could also contribute to improving traceability and providing more information about quality, origin and production methods and conditions, not least on account of the growing consumer interest in such matters;

Benefits of a uniform protection at EU level

7. Recalls that it would be highly recommended for the EU to adopt legislation on non-agricultural GIs, in order to fully exploit the positive economic effects of protecting the distinctiveness and quality of such products, provide consumers with reliable information on their place and method of production, and preserve the know-how and jobs relating to them;
8. Considers that such legislation can foster innovation in traditional production processes and the creation of new start-ups for traditional products, and also contribute to the sustainability of jobs created in poorly developed areas, in particular by providing small enterprises and micro-enterprises, which are the source of close to 80 % of typical locally-made products that could be protected under the geographical indications system, with both an opportunity to boost sales by means of more effective marketing operations and an incentive to cooperate more closely, given the collective nature of the scheme;
9. Points out that it could help to effectively combat counterfeiting, fraudulent use of names of geographical origin, and other unfair practices which mislead the final consumer and cause harm, most of all, to the micro-enterprises and SMEs which legitimately produce the vast majority of the products that could potentially receive protection and currently do not have the legal or financial means to defend their

interests, with this also having an adverse impact on their exports;

10. Considers that such protection promotes and facilitates access to the common market and markets outside the EU for European craft products, which are the fruit of traditional knowledge and skills that help to conserve valuable know-how characterising entire social and local communities, and also represent a significant element in the historical, cultural, economic and social heritage of Europe;
11. Considers that uniform GI protection for non-agricultural products would stimulate technological and economic development at regional and local level by increasing the number of people employed in producing traditional products;
12. Underlines that uniform GI protection would contribute not only to the promotion of traditional products, but also to the recognition of the quality of the raw materials used in these products and the need for excellence at all stages of the production process;
13. Points out that GIs provide an assurance of product quality for consumers, as well as being a recognition of know-how and a means of protection for producers;
14. Stresses that the recognition of protection of non-agricultural GIs and traditional, high-quality know-how is both a defensive and offensive interest in the framework of the common commercial policy, and that it can be an effective tool to support micro, small and medium-sized businesses and manufacturers (SMEs), countering imitation and counterfeit products and ensuring a more socially, economically and environmentally sustainable approach to economic development inside and outside the EU, as well as fair competition and consumer protection, thus making it possible to identify more effectively product authenticity and quality; considers that recognising unitary protection of non-agricultural GIs would also contribute to building social capital in the regions of production;
15. Considers that a uniform EU system could increase the attractiveness of the heritage-related professions;
16. Stresses that preserving traditional know-how and production can help stop the depopulation and destruction of rural areas and the flow of young people leaving these areas;
17. Highlights the importance of the cultural, educational, social and sustainable components of the non-agricultural products that will be included in this process, and stresses the need to preserve, pass on and develop the traditional know-how and skills associated with them, and to foster closer cooperation with the creative industries, not least with a view to highlighting the quality of the materials used and of the end products; calls for the use of the name or logo to be accessible to all producers from the given area who manufacture the product in the way prescribed;
18. Stresses that protection for the geographical indications of non-agricultural products will help preserve the cultural and artistic heritage constituted by Europe's local and regional traditions;
19. Acknowledges the crucial role of SMEs which invest in high-quality traditional know-how and offer local employment and apprenticeships for the training of skilled professionals who play a major part in passing on traditional production methods; recognises the importance of investing in education and training in this field, and

encourages Member States to make optimal use of the available EU funding and programmes for the support of vocational training for specialists involved in the production and promotion of environment-friendly local and regional artisanal and industrial products;

20. Encourages the Member States to exchange good practices in creating and supporting initiatives aimed at stimulating the traditional artisanal sector, which could in turn increase awareness of local cultural heritage and stimulate the development of rural areas;
21. Highlights the fact that a well-known GI could help to better promote the European cultural itineraries;
22. Calls on the Commission and the Member States to promote transregional and transnational cooperation and the pooling of best practices among non-agricultural product clusters and related sectors;
23. Stresses the importance of geographical indications (GIs) in the broader spectrum of intellectual property rights, as a way of protecting the value of the local, including infrastructure and employment, improving regional development and enhancing traceability, transparency and consumer information;
24. Notes that industrial and handicraft products connected with their origins or rooted in their territory are central to the economy and society in many of Europe's regions, in that they generate non-relocatable activities directly linked to local ways of life, especially in rural areas; stresses that the adoption at European level of a system to protect industrial and handicraft products connected with their origin or rooted in their territory would allow the originality of our industrial and handicraft products to be maintained and prevent product standardisation;

Relations with third countries

25. Considers that open-ended lists of all products, both agricultural and non-agricultural, that are protected by geographical indications should be incorporated into future EU trade agreements with non-member countries;
26. Considers that there would also be positive effects on trade relations which the EU maintains or is negotiating with third countries, thus enabling the EU to achieve equal protection for such European products also within the framework of international trade negotiations;
27. Believes that the extension of protection for EU geographical indications to non-agricultural products would be a way to stimulate European exports and gain market share while achieving international recognition of the products in question and developing their high-quality image and reputation through trade and trade negotiations;
28. Believes that the protection of non-agricultural GIs at EU level would strengthen the Union's hand in the WTO in calling for an increase in the standard level of protection, and could positively renew the discussions on the creation of a multilateral GI register within the Doha Development Agenda, while being fully in line with the TRIPS Agreement;
29. Believes that the protection of non-agricultural GIs must be accompanied by a more

effective strategy for the protection and enforcement of intellectual property rights in third countries, with a view to stepping up measures to combat counterfeit or imitation products;

30. Considers that uniform protection of geographical indications for non-agricultural products in the EU could be an advantage in negotiating trade agreements with third countries and, conversely, stresses that some of our major partners, such as India and China, have already introduced systems to protect such geographical indications;
31. Calls on the Commission to include in its upcoming communication on the EU's trade and investment strategy a coherent and well-prepared strategy for all GIs, which ensures that they are observed and recognised;
32. Takes the view that extending the scope of the geographical indication protection system to cover non-agricultural products could help make the EU's position in this area still stronger and more consistent, both in bilateral trade negotiations and in multilateral forums, the ultimate aim being to provide a high level of protection for all high-quality European products outside the EU; considers, in particular, that both agricultural and non-agricultural products protected by geographical indications should be fully taken into account in negotiations on future EU trade agreements; believes that a comprehensive EU geographical indications system would foster commercial expansion and make it easier to carry out joint promotional campaigns outside the EU;

General principles

33. Stresses the importance of geographical indications (GIs) as an important tool for enhancing traceability, transparency and the provision of information to consumers and raising the profile of EU regions and localities in a more socially and environmentally sustainable approach to economic development, as well as developing the key role played by GIs in EU trade policy;
34. Is convinced that the system must be based on best practices and transparent and non-discriminatory principles, and that it can be an effective tool for countering imitation and counterfeit products and ensuring a more socially, economically and environmentally sustainable approach to economic development inside and outside the EU, as well as enhancing consumer protection;
35. Calls on the Commission to apply the lessons learned from the experience gained in the agricultural and food sectors, with the aim of creating a system which is based on best practices and non-discriminatory principles and is transparent, effective, responsive and free of unnecessary administrative burdens and deterrent costs for producers who voluntarily decide to register a product under a geographical indication scheme; is of the opinion, furthermore, that such a system should ensure strict controls and the greatest possible transparency, and should include appropriate means of dealing with fraud; calls on the Commission, in this regard, to apply a non-sectoral approach to any system of protection;
36. Considers that the new system, as happened in the past with agri-food products, should represent a guarantee which is intuitively perceptible to consumers who seek high-quality products in terms of authenticity and origin which have a strong link to the geographical area concerned and are supported by reliable and clear information; believes that the effectiveness of such a single European system of protection of

geographical indications will depend on whether all necessary information reaches producers and consumers; stresses that the system must be transparent and must ensure accessible protection, as this is of key importance to consumer and producer confidence;

37. Takes the view that, under the new EU legislative framework for procurement, a product quality and origin certification system could be of use to contracting authorities in connection with technical specifications, certification and award criteria, in particular at local and regional level;
38. Calls for such products to be made a central focus of regional development, research and innovation projects and Horizon 2020 and cohesion funding;
39. Is of the opinion that an EU-level system of GI protection for non-agricultural products which is coherent, simple and transparent and is not bureaucratically and financially burdensome, thus allowing SMEs in particular to access it, would enable the EU to achieve equal protection for such European products outside the EU in the framework of international trade negotiations, and would create a significant advantage in negotiating free trade agreements, bilaterally with the Union's trading partners and multilaterally within the WTO;
40. Is of the opinion that the creation of a single EU-level protection of non-agricultural GIs that includes common definitions, registration procedures and costs, the scope of protection and the means of enforcement, and the establishment of a trustworthy authority responsible for deciding on the granting of non-agricultural GI status, recognised at EU level, without lowering the standards of protection that already exist in 15 Member States, would be the best way to be more effective, both within the EU and in negotiations with third countries;

Scope

41. Maintains that a link with the territory of production is essential in order to identify the special know-how and designate the quality, authenticity and characteristics of the product;
42. Favours a broad definition that would make it possible to recognise the link between a product and the area covered by the GI; considers that an EU-level system of protection should have an expanded scope enabling the inclusion of names which, though not geographical, are unambiguously associated with a given place;
43. Believes that the protection scheme should include non-verbal signs and symbols that are unmistakably associated with a particular region;
44. Maintains that the label/distinguishing sign/mark/logo for non-agricultural GIs should be simple and easily recognisable, should reflect the regional/local identity of the goods, and should be expressed in at least the language of the product's place of origin and that of the country into which it is imported;
45. Points out that some indications, for instance generic terms or homonyms, have to be excluded from GI protection; notes in addition that the exceptions set out in Article 6(1), (3) and (4) of Regulation (EU) No 1151/2012 on agricultural GIs could serve as an example;

Registration process

46. Believes there should be a compulsory registration procedure, as this would provide greater security, especially as regards the enforcement of rights in the event of a dispute; calls on the Commission to propose the most efficient, simple, useful and accessible mechanism for registration of products, and to ensure that the system provides affordable, clear and transparent registration, modification and cancellation procedures, thus providing legal guarantees for stakeholders; calls on the Commission to carry out a thorough assessment with a view to minimising the financial and administrative work burden for stakeholders;
47. Stresses that this system must be accompanied by the creation of a single standardised and public European register for non-agricultural products benefiting from geographical indication protection, with a view to fostering craft products and informing and protecting both consumers and producers, whilst avoiding any unnecessary administrative burden;
48. Stresses, further, that such a system should be characterised by a cross-cutting approach in order to maximise its economic and social impact, and that it should significantly enhance the existing link between products and their area of origin, and improve transparency, in order to increase the credibility and authenticity of a product, guarantee its origin, and contribute to improving its traceability; points to the need for regular checks to be carried out once geographical indication status has been granted, in order to make sure that the criteria on which that status was based are still being met;
49. Believes that registration should take place in two stages: firstly, on-the-spot checks should be made by national or regional authorities to ascertain that specific characteristics are not being interfered with; and secondly, there should be a single European registration system to ensure compliance with common criteria in all parts of the EU;
50. Proposes that the Commission examine the possibility of also transferring, in this context, the registration of agricultural GIs to the OHIM; proposes that the above system be managed at EU level by the OHIM;
51. Maintains that the system should keep costs and red tape for businesses to a minimum, while offering sufficient guarantees to consumers and helping them in making better-informed choices about buying products;
52. Considers that under a scheme of the type described above, establishing GIs should be a matter for the businesses concerned, which should, in particular, be called upon to draw up the specifications that the GIs would have to meet;
53. Believes that the criteria encompassed within product specifications should be handled in a flexible way so as to ensure that developments in production processes and future innovations are not only prevented but encouraged, provided the quality and authenticity of the final product are not affected;
54. Believes that specifications should include at least the following criteria: raw materials used, description of the production process, proof of the link with the territory, and elements of corporate social responsibility;
55. Proposes that producers and their associations and chambers of commerce should be the stakeholders authorised in the first place to apply for registration of a GI for non-

agricultural products;

56. Considers that producers could be asked to pay a contribution in order to obtain a GI, provided such contributions take the form of one-off payments, are fair in relation to the costs incurred, and are enforced uniformly throughout the EU;

Control measures

57. Believes there should also be provision for the requisite resources to make the protection afforded by such an instrument effective in practice whatever the means of product distribution in cases of misuse; emphasises the need to ensure that GIs are equally well protected in the digital marketplace;
58. Stresses the relevance of quality checks, in the light of the significant differences existing between agricultural and non-agricultural products (e.g. number of producers);
59. Advocates, in addition, that an inspection, infringement and penalty scheme be set up to monitor geographical indications on products marketed in Europe;
60. Considers that, to maximise the GI protection of non-agricultural products, the ban on incorrect use of GIs should apply, not only where there is a risk of consumers being misled or where there is any unfair competition, even in cases where a product's actual origin is clearly indicated; proposes, therefore, that the additional protection provided for in Article 23 of the TRIPS Agreement, initially applicable only to wines and spirits, be extended to cover the GIs of non-agricultural products;
61. Suggests the introduction of a procedure, open to interested parties, whereby the registration of GIs can be contested;
62. Considers that this would make it easier to establish effective oversight procedures, thus giving consumers and producers the chance to protect themselves against counterfeiting, imitation and other illegal practices;

Coexistence with prior rights

63. Considers that any future geographical indications must be allowed to coexist with rights already associated with the product, and should take account of current best practices at national and local level in the EU;
64. Maintains that the relationship between trademarks and GIs will need to be clearly defined so as to avert conflicts;
65. Suggests that the rules on the relationship between trademarks and GIs should apply to the GI protection of non-agricultural products;
66. Proposes that those Member States which already provide protection should be allowed the necessary time to ensure compliance, while at the same allowing transitional arrangements to be applied, providing for a coexistence of the two systems before moving towards an EU mechanism;

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67. Instructs its President to forward this resolution to the Council and the Commission.