

An aerial photograph of a river valley. The river is a vibrant blue-green color, winding through a landscape of terraced hills. The hills are covered in green and brown vegetation, with some areas appearing to be agricultural fields. In the distance, there are more hills under a clear blue sky with a few wispy clouds. A dam is visible on the left side of the river, with a road leading to it.

# PRESTIGIOUS DESIGNATIONS OF ORIGIN ECJ CASE LAW

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**«ENTRE A UTOPIA E A ATOPIA, O LOCAL É RELEVANTE»**

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Fotografias: João Ferrand

# SUMMARY

- **PDO and PGI - Industrial property rights**
  - A very long and complicated conquest in time
    - EU Regulations
    - International agreements
  - Three pillars – essential to have a PDO or PGI
- **An autonomous IPR (with its own legal regime different from the other IPR)**
- **They are competition tools on a competitive market**
- **Strong distinctive power**
  - Create impact on the consumer decision
- **European protection of PDO and PGI**
  - ECJ Case Law: «Port Charlotte» and «Champagner Sorbet»

An aerial photograph showing a landscape with terraced hillsides. The hills are covered in rows of crops, likely grapevines, and are surrounded by dense green forest. A river flows through the upper part of the image. The text is overlaid on the image in white, bold font.

**«Port Charlotte» *versus* «Port»**

**«Port» is or will become a generic term**

# SOME EXAMPLES

## **Comparable products:**

Cambozola (trademark) *versus* Gongozola (PDO)

Grana Biraghi (trademark) *versus* Grana Padano (PDO)

Konjakki (trademark in Finland) *versus* Cognac (PDO)

Castel (trademark) *versus* Castell (PGI)

## **Non comparable products:**

DIPORTOFINO *versus* PORTO

Perfumaria Bordeaux *versus* Bordeaux

Miller-High Life – The Champagne of Beers *versus* Champagne

Royal Cognac *versus* Cognac

Bordeaux Buffet *versus* Bordeaux

Champagner bekommen, Sekt bezahlen: IBM Aptiva jetzt zum Vobis-Preis *versus* Champagne

Biscuits Champagne *versus* Champagne

# DIPORTOFINO

## PORTO

versus European trademark «DIPORTOFINO» for coffee, tea, cocoa, sugar, rice, bread, ice-cream, honey, salt, spices, sauces, etc.

The OHIM said: «the applicant **would benefit from the fame of the traditional appellation of origin PORTO (...)** it takes unfair advantage of the distinctive character and the prestige of the appellation of origin».

Besides, Portofino is a well-known luxury and touristic place in Italy...



# ROYAL COGNAC

## COGNAC

*versus* European trademark «**Royal Cognac**» for precious metals; jewelry, precious stones; horological and chronometric instruments; advertising; business management; education; providing of training; entertainment; sporting and cultural activities; etc.

Decision:

«(...) divert to their own benefit part of the investment made by the holder of the earlier right. (...) the application may profit from the renown of the opponent's sign, which in the present case is a French AOC, by exploiting its prestige. (...) it reflects an image of excellence, reliability or quality, or some other positive message, which could influence the choice of the consumer in favor of other producers' goods. (...) the use of this trade mark of repute in connection with different products or services will facilitate their commercial success. (...) was likely to misappropriate or weaken the reputation (...) a business with a well-chosen name, such as ROYAL COGNAC could, and certainly would benefit from the fame of the traditional denomination COGNAC (...) is trying to benefit 'royally' from an image already created without its contribution. Again, the lack of due cause can be observed.»

«(...) the Board finds that the mark applied for, ROYAL COGNAC, **would be capable of taking advantage of the repute of the French AOC COGNAC.**»

# PORT RUIGHE

## PORT

*Versus European trademark «Port Ruighe» for whisky and whisky based beverages.*

Decision:

«The contested whisky and whisky based beverages are similar to the earlier fortified wine, since they can have the same nature (alcoholic beverages) and they can coincide in distribution channels and methods of use (aperitif or digestive). Furthermore, they are in competition since one can substitute the other as they serve a similar purpose and are offered to the same actual and potential customers.(...)»

Taking into account the abovementioned visual, aural and conceptual coincidences, it is considered that the signs under comparison are similar. (...)

{...} the Office finds that the contested application is confusingly similar to the protected terms {...}»

# PORT CHARLOTTE

Porto/Port *versus* European trademark «Port Charlotte» for whisky

The ECJ decision has two parts:

1. The European system of registration and protection of PDO and PGI is exhaustive and exclusive, which means that the national systems are not applicable. It is a uniform and unique system, even if the national systems could give a better or higher (additional) protection to those IPR. The only exception will be the products or services not covered by the EU law. Enforcement and unfair competition rules are not covered by this decision.

The General Court had taken a different position.

2. Port Charlotte **is not a imitation or evocation** of the PDO Port and it **does not exploits its reputation**.

The ECJ completely **ignored the selling-power** of this PDO and **its significance as a PDO**.

The Advocate General understood that **there was an evocation** of the PDO Port.

«EUIPO, in particular, stated that '**Porto and Port are generic terms**', although it later qualified its earlier assertion by claiming that '**they have a certain generic connotation**' [free translation]» - extract from the advocate general conclusions, footnote 43.



# PORT CHARLOTTE

The ECJ ignored that Port is a **PDO with reputation and prestige**

For the ECJ Port is only **a harbor, an area of water** near the coast where ships are kept

If I go to a bar and ask for a Port... I will get a ... ship?

So, the ECJ didn't made the necessary **relationship between the sign and the products** that the sign distinguishes...

Remember: «Apple»; «Carrefour»; etc.

The ECJ in the decision always compares whisky with Port and not whisky with a fortified wine (or liqueur wine); so, **for the ECJ Port is a name of a product** – this is very dangerous

**For the ECJ Port is a very weak sign:** any trademark that adds to the sign Port another word, will have distinctiveness even if it differentiates alcoholic beverages – **the *ius excludendi omnes alios* is denied to the owners of the PDO Port.**

# PORT CHARLOTTE

«Port» and «Port Charlotte» distinguishes **alcohol beverages, consumed in the same moments, in the same places, distributed on the same channels..**

If I go to bar and ask for a Port ... will I get a wine or a whisky?

Port Charlotte is a **place in Scotland** (the «most attractive village on Islay») **well-known for the production of whisky** (founded in 1828)

Where is the distinctive character?

For the ECJ there is **no risk of confusion, association, evocation** and there is **no undue exploitation of the reputation**

The Advocate General said that **there was exploitation of the reputation** of the PDO Port and there was **evocation** of the PDO.

# PORT CHARLOTTE

Some interesting details concerning this case:

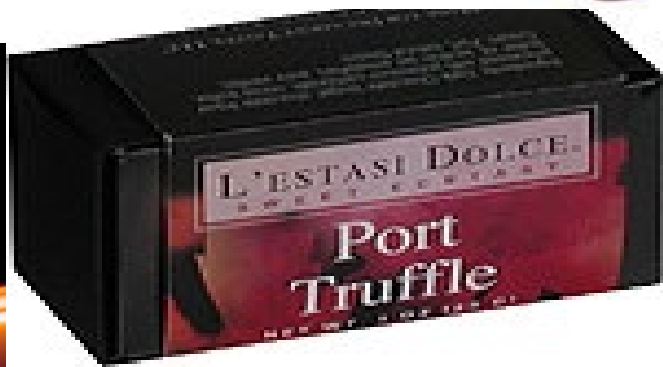
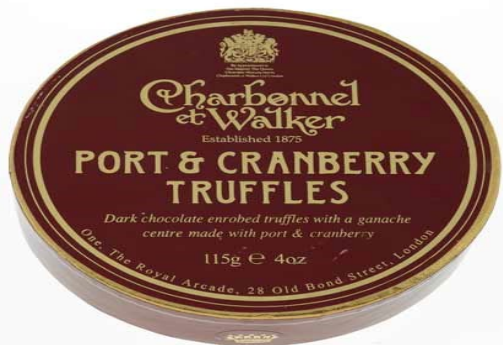
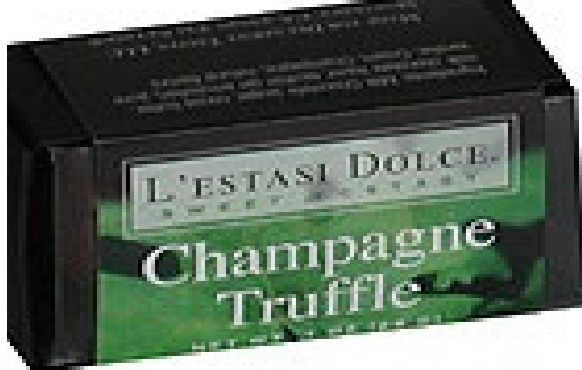
- a) **The name that is protected in the EU as PDO is «Oporto»; Port and Porto are equivalent terms!!**
- b) **«Port» is a term that exists in the Portuguese dictionary... (I have never found this term...)**
- c) **«Oporto» is a the name of a city in Portugal... (I don't know where...)**
- d) **Many times in this case there is a confusion between liquor and liqueur – liquor is not a wine, is a spirit drink..**

Well, if we don't **know the name that is protected as a PDO and consider Port as a generic term**, why do we care about designations of origin and geographical indications?

An aerial photograph of a vineyard on a hillside. The rows of grapevines are neatly planted in terraced rows across the slope. The sky is a clear, bright blue. The text is overlaid on the upper portion of the image.

# PDO or PGI as an ingredient «Champagner Sorbet» Case

Or how to destroy the content of an IPR



# INGREDIENTS

**The product incorporates a certain percentage of the product that has the right to use a PDO or a PGI**

Which percentage?

Gives an aroma, a taste, a shape...

**List of ingredients – descriptive**

**The main issue is when that product (chocolate, for example) indicates the PDO or the PGI as:**

the name (generic term) of the product or as

the distinctive sign of that product (as a trademark)

# CHAMPAGNE

Champagne

«FOIS GRAS DE CANARD AUX POIVRES ET AU CHAMPAGNE».

The French court said the following: «(...) risque de détournement et d'affaiblissement de notoriété de l'appellation».

# Montfort innove fort !

## Sur l'entier...



“Le foie gras au Champagne et 2 poivres”



Une recette d'exception, raffinée au goût subtil  
alliant des ingrédients de Prestige.

Un packaging rupturiste et luxueux.



# MAC CHEESE

«MAC CHEESE recette au Beaufort fondu»

«MAC CHEESE sauce au Reblochon»

«MAC CHEESE sauce à la Tomme de Savoie fondue»

The French court said: «(...) n'avait eu pour but que de tirer indument profit en les affaiblissant et en les dévalorisant, de la réputation et de la notoriété de ces AOC et IGP (...) discréditer la qualité (...)».

# CHAMPAGNER SORBET

## The ECJ decision:

1. The use of the name Champagne as part of the name under which is sold a foodstuff (ice cream) that contains, as an ingredient, Champagne, **constitutes exploitation of the reputation.**
2. However, **the exploitation of the reputation is not undue or is justified** if that foodstuff has, as one of its essential characteristics, a **taste or aroma** attributable primarily to the presence of that ingredient in the composition of the foodstuff.
3. The Court was very clear: the use of the name Champagne (on the denomination of the product) may **extend to the ice cream the reputation, the image of luxury and prestige of the Champagne.**
4. But it is necessary to examine if such use constitutes a means of **taking unfair advantage** of the reputation.

# CHAMPAGNER SORBET



# CHAMPAGNER SORBET

The sorbet producer is taking undue advantage of the reputation (or unfair exploitation of the reputation) of the PDO Champagne.

There is **no legitimate interest** (or a justified reason or due cause) that can justify such an attitude, that is, such a use of the PDO Champagne.

We are not facing a descriptive use...but a **commercial intent**.

Taking into consideration all the elements (the label, the glass, the bottle, the cork, etc.) there is a clear intention to exploit the prestige of the PDO and appropriate its reputation – **for this there is no justification!**

**There is a clear intention of association between the ice cream and the Champagne in order to benefit from the prestige and reputation of Champagne to succeed on the market of ice creams...**

# CHAMPAGNER SORBET

Such a use of the PDO Champagne **is beyond the limits of content of this right – it destroys that content**

There is **no justified reason or due cause** for such a use

Such a use is not in conformity with the **loyal and honest practices of the trade**

It is a use of the PDO **“as a trademark”** (or any other trade distinctive sign) by the sorbet producer

The **image** of the PDO Champagne is clearly **transferred** to the sorbet

In fact we could even think that we were facing a **iced Champagne...**

# COCA-COLA SORBET



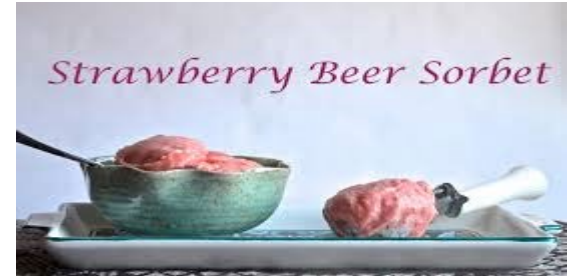
# SORBET HEINEKEN



EST. 1876



**Heineken®**  
open your world



# CONSEQUENCES

## Dilution of the distinctive power of the DO or the GI

Watering or Verwässerung;

The designation of origin or geographical indication will lose its connection with a certain product;

It will lose its brightness because it will be associated with several products or services;

It will lose its distinctive power connected with a product; it would identify and differentiate several products.



# CONSEQUENCES

## Risk to the distinctive character of the DO and GI

When there is a risk of negative associations, for examples because the products are of bad quality or there is incompatibility between the products, for example the image of quality (Champagne, Port) and services of rat removal or disinfection or transport of waste (this would create negative associations).

# CONSEQUENCES

## Takes unfair advantage of the DO and GI

In this case we are trying to avoid free riding attitudes, or parasites;

Someone is taking undue advantage of the reputation or distinctive power of the designation of origin or geographical indication;

Someone is “dressing” himself with the clothes or the feathers of someone else;

Someone is taking advantage – without any legal justification – of the reputation that others have built;

It is a temptation to use famous names in order to attract the consumer. It would be completely different if I sold pencils with the name Rolls Royce or with my name...

# CONSEQUENCES

## Contribute to its degeneration

Sales denomination

Generic term

Sorbet Sorbet Champagne / Strawberry Ice cream / Orange

with milk Port Chocolate / Chocolate with almonds / Chocolate

Cookies with Heineken / Coca-Cola Ice cream

Cookies with Chivas or Jack Daniels

# WHAT IS THE PROBLEM?

The problem is not protecting the consumer or misleading the consumer

The problem is the **protection of the investment** made by producers and traders on the use of the PDO or PGI

Protect the selling-power of the PDO or PGI

This only happens when we are facing PDO or PGI that have great distinctive power.

Why is that?

And why does it no happen with trademarks?

# Conclusion

PDO and PGI

Industrial property rights

- Legal functions:
  - Geographical origin
  - Quality
    - Conformity with a specification
  - Publicity
- High Level of protection
- Prestigious names
- It has been difficult to recognize this IPR as such
- It has been difficult to understand these IPR
- The EU and the ECJ has not yet understood the consequences of not protecting prestigious PDO/PGI