

**Draft Report**  
**"Towards a renewed consensus on the enforcement of Intellectual Property Rights:  
An EU Action Plan":**  
*An opportunity  
to tackle the issues of fake Geographical Indications (GIs) goods in transit in the EU*

## **Background**

Recent European Court of Justice decisions (the ‘Philips’ case under reference C446/09 and the ‘Nokia’ case under reference C495/09) confirmed that, although national customs authorities can intercept counterfeit transit goods, action cannot be taken before national courts unless there is evidence that those goods are going to be diverted into the EU, are already sold or advertised in the EU or there is a health risk to the ultimate consumer. Rights holders are already at the mercy of individual customs authorities as to what will be regarded as sufficient evidence that goods will be diverted into the EU. The current situation could result in inconsistent enforcement amongst the member states. Consequently, counterfeiters may choose the EU jurisdictions most favourable to them through which to transit their goods. The destination of goods in transit can be amended continuously by the owner/exporter of the goods. There is therefore a potential for infringers to only amend the destination of the goods to non-EU markets if the goods are discovered. There is a risk the EU will be seen as a jurisdiction through which fake goods can transit with impunity.

## **What is the situation concerning trade marks and GIs?**

Against this background, the reform of the Community trade mark is in the process of being approved by the “Trilogue” and resulted in proposals for a new trade mark directive and trade mark regulation. Both instruments provide the right of trade mark owners to prevent third parties misusing their trade marks on transit goods (Article 10 of section 3 of the draft directive and Article 9 of the draft regulation).

On the other hand, while the protection of GIs worldwide is a major objective of the EU, which spends considerable resources trying to improve such protection in third countries through bilateral agreements, GIs beneficiaries currently do not benefit from a similar right within the EU.

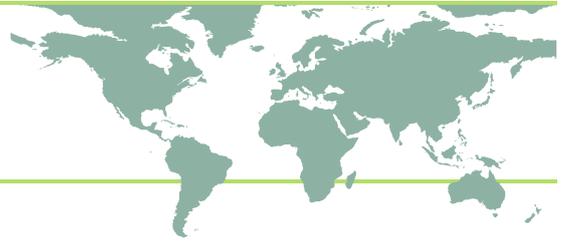
## **What are GI beneficiaries looking for?**

The Organisation for an International Geographical Indications Network (oriGIn)<sup>1</sup>, together with many other organisations representing products with ‘geographical indications’ (GIs)<sup>2</sup>, believe that it is

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<sup>1</sup> The Organization for an International Geographical Indications Network (oriGIn) is the global alliance of geographical indications, representing some 400 organizations and over two-million producers from 40 countries ([www.origin-gi.com](http://www.origin-gi.com)). oriGIn advocates for a more effective legal protection and enforcement of GIs at the national, regional and international level and promotes the recognition of the fundamental role of origin products in the sustainable development of local communities.

<sup>2</sup> For example the Scotch Whisky Association (SWA), the Comité Interprofessionnel du Vin de Champagne (CIVC) and the Consorzio del Prosciutto di Parma.



necessary to give the right to GI beneficiaries as well to prevent third parties misusing GIs on transit goods, regardless of whether or not there is any suspicion the goods will be diverted into the EU.

The position of GIs is quite different to that of other Intellectual property Rights (IPRs), so the need to provide such possibility for GIs is even more urgent. The same trade mark registered to one owner in India, for example, can also be registered in the EU to a different owner. Whilst the Indian trade mark could not legally be used in the EU because it breaches the rights of the European trade mark owner, that would not prevent transit of goods through the EU where there is no suspicion that goods bearing that trade mark would be diverted into the EU. On the other hand, goods bearing a GI are either fake or genuine.

## REQUEST

We believe that the Draft Report "Towards a renewed consensus on the enforcement of Intellectual Property Rights: An EU Action Plan" represents an important opportunity to tackle the issues of fake GI goods in transit in the EU.

In this respect, we note that paragraph 21 and 22 of the Draft Report refer to the important role played by customs and the need for international cooperation in the fight against IPRs infringement in cross border trade and a strategy for the protection and enforcement of IPRs in third countries. We would therefore be grateful if a new paragraph would be considered in that section of the Draft Report along the following lines:

***"Notes that proposed changes to the Community trade mark include the right of trade mark owners to prevent third parties from misusing their rights on goods in transit through the EU and calls on the Commission to provide such protection for geographical indications as well."***

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