

Draft Guidelines of Work Package 2

oriGIn COMMENTS, 7 March 2014

I. Absolute grounds for refusal

- Article 7(1)(g): deceptive trade marks

According to the Guidelines (page 9), the Office assumes as a general practice that:

“An objection will generally only be raised where the mark leads to a clear expectation which is entirely contradictory to, for instance, the nature or quality or geographical origin of the goods”.

The above principle follows to the assumption that the applied trade mark is not deceptive, unless a non-deceptive usage of the mark is impossible. The aforementioned approach would excessively restrict the ground for refusal set forth in Art. 7(1)(g) CTMR, in particular with respect to the geographical origin of goods covered by the application. On the one hand, geographical names from non EU Member States, while not protected under the EU relevant Regulations at the point in time when the trade mark application is submitted, might be geographical indications recognised in their respective countries of origin (then, as such, they would deserve a minimum level of protection in the EU under art. 22.3 and 23.2 of the WTO TRIPS Agreement) and/or protected in some EU Member States via the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration or a bilateral agreement (on this, see also comments at page 5 and page 10). On the other hand, given the growing importance that EU consumers attach to the geographical origin of goods in their purchase's decisions, even though it is less likely (but not impossible) that EU geographical names would in the future enjoy the PDO/PGI status, we believe that a more comprehensive analysis is needed in order to assert whether or not the applied sign is deceptive with respect of the geographical origin of the goods covered by the

application. Following the example given at page 11 of the draft Guidelines for Examination in the Office, Part B Examination, we do consider that the applied CTM ‘ARCADIA’ for ‘wines’ should be restricted to ‘wines coming from Arcadia’, if there could be a consumer’s expectation that the identified wine come from such a geographical place. In order to assess whether or not the said expectation exists, it would be advisable a deeper exam of the applied sign in connection with the goods covered by the application, similar to the steps set out in ‘Chiemsee’ (Judgment of the Court of Justice of the European Union of 4 May 1999, joined Cases C-108/97 and C-109/97, para. 31) in order to assess whether or not a geographical term must be declared descriptive under art. 7(1)(c) CTMR.

- **Article 7(1)(j) CTMR**

At page 39 of the Draft Guidelines, first sentence, it is said that “Regulation No 110/2008, however, covers only PGIs, not PDOs”. It would be more appropriate to use the term Geographical Indications for spirits under Regulation No 110 2008, the term PGI not being used in the above-mentioned Regulation.

- **Article 7(1)(j) CTMR: protection of PDO/PGI extends to the names of sub-regions, localities, etc, expressly protected in the Regulation of the PDO/PGI.**

At page 40 of the Draft Guidelines, it is stated that “*Protection is granted solely to the name of a PDO/PGI (see Article 118m(2) of Regulation (EC) No 1234/2007) and does not extend ipso iure to the names of subregions, sub-denominations, local administrative areas or localities in the area covered by that PDO/PGI*”.

We do not share the view expressed in the Draft Guidelines since, in many member states, before being registered at the EU level, PDO/PGI are regulated by specific national laws which grant protection to names of sub-regions, localities, etc, within the geographical area. In the case of Spain, PDO/PGI have to be regulated by the “Regulation of the PDO/PGI”, which is passed as a Ministry Order (or other kind of law ruled by the competent authority of the correspondent Autonomous Community), and

therefore they constitute national law. On the other hand, these names are often mentioned in the Product Specifications of the PDO/PGI sent to the Commission.

Furthermore, even if protection “*does not extend ipso iure to the names of subregions*”, it would be incorrect to conclude that such an extension of protection must be denied in all cases. In any case, protection must be extended to names of subregions, names of localities, etc., when said names constitute an evocation of the PDO/PGI (i.e. ordinary rules of protection apply). This will be the case in the vast majority of the names of localities and subregions, unless they were unknown even for the consumers of the relevant country to which the PDO/PGI belongs.

- **Article 7(1)(j) CTMR: PDO/PGI for wines and spirits**

- i. Relevant date for application of Article 7(1)(j).

As regards the relevant date for application of this absolute ground for refusal, the Guidelines state the following (page 41)¹:

*“Article 7(1)(j) CTMR applies only in respect of PDOs/PGIs that were applied for before the CTM **and** are registered at the time of examining the CTM. The relevant dates for establishing the priority of a trade mark and of a PDO/PGI are the date of application of the CTM (or the so-called Paris Convention priority, if claimed) and the date of application for protection of a PDO/PGI to the Commission respectively”.*

The Guidelines correctly equal trade marks and Geographical Indications in respect of the relevant date for establishing their priority, i.e. the date of their application. However, by adding “*are registered at the time of examining the CTM*”, the Guidelines seem to be requiring that, at the moment of the examination of a given trade mark, the PDO/PGI is already registered. In practice, that requirement breaks the equality between

¹ Guidelines for Examination in the Office, Part B Examination, Section 4, Page 39

the 2 rights and would be in contradiction with the relevant EU Regulations on PDO/PGI (art. 44.1 of Regulation 1234/2007 and art. 14 of Regulation 1151/2012: so this recommendation applies with respect to PDO/PGI for agricultural products as well). Moreover, the practice shows that the registration of a PDO/PGI might take several years. Likewise, the required first “screening” provided by Member States before submitting a PDO/PGI request to the European Commission, ensures a very high level of acceptance of PDO PGI applications. Finally, a PDO/PGI exists de facto before its recognition by the EU, in fact the relevant products are normally on the market and are subject to independent controls before an application is submitted. The possibility of requesting the cancellation of the trade mark conflicting with it once the PDO/PGI recognition process is completed would result in an unnecessary burden for producers’ groups. **Therefore, we deem that the requirement of the effective registration should be deleted, being sufficient that, at the date of the examination of the CTM application, the PDO/PGI has been applied for; or, at least, the OHIM should suspend the registration proceedings until a final decision is taken in the PDO/PGI registration proceedings.**

ii. Protection of PDO/PGI against CTM applications covering services

The Guidelines acknowledge that²:

“Article 7(1)(j) CTMR applies (provided that the other conditions also apply) in all of the following situations:

- 1. the CTM consists solely of a whole PDO/PGI (‘direct use’);*
- 2. the CTM contains a whole PDO/PGI in addition to other word or figurative elements (‘direct or indirect use’);*
- 3. the CTM contains or consists of an imitation or evocation of a PDO/PGI;*
- 4. other misleading indications and practices;*

² Guidelines for Examination in the Office, Part B Examination, Section 4, Page 41

5. *the reputation of PDOs/PGIs*".

However, when analyzing the protection of PDO/PGI against CTM applications that exploit PDO/PGI reputation, the Guidelines say³:

"The Office does not consider that, in the context of examining absolute grounds for refusal, a PDO/PGI's reputation allows its protection to be extended to different products".

On the other hand, as regards the goods in respect of which an objection may be raised, the Guidelines indicate the following:

"Objections based on Article 7(1)(j) CTMR can be raised only in respect of specific goods of the CTM application, namely those that are identical or 'comparable' to ones covered by the PDO/PGI."

The different terms used in Articles 118l(1) and 118m(2) of Regulation (EC) No 1234/2007 ('product falling under one of the categories listed in Annex XIb' and 'comparable products' respectively) are interpreted by the Office as synonyms referring to the same concept.

(...)

*The notion of **comparable goods** must be understood restrictively and it is independent of the analysis of similarity between goods in trade mark law"*.

We deem that the above would imply a very restrictive application of the ground for refusal set forth in Article 7(1)(j) CTMR that would allow the registration of CTM whose conflict with a given PDO/PGI is self-evident. We refer, in particular, to CTM applications covering services which are evidently linked to products covered by the PDO/PGI, such as retailing of the relevant product or distribution of the relevant product. To make it clear, under the approach currently defined in the Guidelines, the CTM application 'RIOJA' covering '*distribution of wine*' would not be objected. **Therefore, it is our opinion that Article 7(1)(j) CTMR should be applied (so the**

³ Guidelines for Examination in the Office, Part B Examination, Section 4, Page 48

attempt to the reputation should be scrutinised by the Office) when the CTM is applied for services clearly linked to the product covered by the PDO/PGI.

- **Geographical indications protected under international agreements signed between Member States and third countries**

The Guidelines point out the following:

“As regards international agreements signed exclusively by Member States with third countries (in particular, the Lisbon Agreement for the Protection of Appellations of Provenance and their International Registration), and for the sole purpose of the examination of absolute grounds for refusal, the EU is not a contracting party to these agreements, and they do not impose any obligations on the EU (see, by analogy, judgment of 14/10/1980, 812/79, para. 9)”.

Bilateral agreements concluded between third countries and EU members – irrespective of whether they have been signed before or after its accession to the EU – are part of the national law. In that regard, even if the EU is not obliged by these agreements, there is still a problem in registering a CTM (with effect in all the Member States of the EU), whose use will not be allowed in the Member States where the relevant agreement is in force. A solution should, therefore, be found that would ensure a predictable and coherent outcome when a EU Member State submits an objection based on the protection conferred to a geographical indication in its jurisdiction via a bilateral or plurilateral agreement.

- **CTM applications whose only denominative part consists solely of the PDO/PGI**

The Guidelines⁴ indicate that:

⁴ Guidelines for Examination in the Office, Part B Examination, Section 4, Page 42

“If the mark consists solely of the PDO/PGI, the CTM also falls under Article 7(1)(c) CTMR, since it is considered descriptive of the geographical origin of the goods in question. This means that the examiner’s objection will simultaneously raise absolute grounds for refusal under both Article 7(1)(j) and 7(1)(c) CTMR. There is an exception to this, pursuant to Article 66(2) CTMR, when the CTM is a collective trade mark and the regulations governing use thereof include the particulars foreseen in Article 67(2) (for the contrary situation, where the mark had been applied for as an individual mark, see decision of 07/03/2006, R 1073/2005-1 – ‘TEQUILA’, para. 15).

While restricting the relevant goods (to comply with the specifications of the PDO/PGI) is usually a means of waiving the objection under Article 7(1)(j) CTMR (see paragraph 2.9.2.3 below), such restriction is irrelevant for Article 7(1)(c) CTMR”.

It seems from the above that a CTM application consisting solely of the PDO/PGI may be registered provided that (a) the trade mark applied for is a collective trade mark; and (b) the goods covered by the CTM application are restricted so that to comply with the specifications of the PDO/PGI. **We deem that, even in those cases (collective marks with the goods restricted), there is no reason for registering a PDO/PGI as a trade mark in favour of a person other than the competent body entrusted with the management of said PDO/PGI.** In that regard, the provision set out in the Guidelines would allow any person to prevent the competent body managing the PDO/PGI from registering the protected name as a trade mark.

The right to use the name of the PDO/PGI is conferred to any operator authorized by the competent body if their products comply with the specifications of the PDO/PGI. Actually, it is difficult to understand that a trade mark containing the PDO/PGI may be registered if the list of goods is restricted, since an operator whose products comply with the specifications of said PDO/PGI will be authorized to use it without having to have a registered trade mark. If the right to ‘use’ (ius utendi) the PDO/PGI is already granted to authorized operators, the purpose of applying for a trade mark must be ‘something else’, i.e. the right to ‘prohibit the use’ (ius prohibendi). Pursuant to the provision of the Guidelines reproduced above, anyone might register a PDO/PGI as a trade mark prior to the competent body (Consorzio, Consejo Regulador, etc) and prevent further registrations. The same applies in cases of a CTM application containing a PDO/PGI in addition to figurative elements (which, in the majority of cases, will be weak or descriptive). **Therefore, we deem that in cases where the applied sign**

consists solely of a PDO/PGI or in cases where the applied sign has also a figurative element, the application must be refused (even if the list of goods is restricted to goods complying the specifications of the PDO/PGI or/and if the applied mark is a collective mark), unless the applicant was the competent body managing the PDO/PGI.

- **Article 7(1)(k) CTMR: protection of PDO/PGI extends to the names of sub-regions, localities, etc, expressly protected in the Regulation of the PDO/PGI.**

At page 55 of the Draft Guidelines, it is stated that *“Protection is granted solely to the name of a PDO/PGI as registered (see Article 13(1) of Regulation (EU) No 1151/2012) and does not extend ipso iure to the names of subregions, sub-denominations, local administrative areas or localities in the area covered by that PDO/PGI”*.

We do not share the view expressed in the Draft Guidelines since, in many member states, before being registered at the EU level, PDO/PGI are regulated by specific national laws which grant protection to names of sub-regions, localities, etc, within the geographical area. In the case of Spain, PDO/PGI have to be regulated by the “Regulation of the PDO/PGI”, which is passed as a Ministry Order (or other kind of law ruled by the competent authority of the correspondent Autonomous Community), and therefore they constitute national law. On the other hand, these names are often mentioned in the Product Specifications of the PDO/PGI sent to the Commission.

- **Article 7(1)(k): PDO/PGIs concerning agricultural products and foodstuff**
 - i. Relevant date for application of Article 7(1)(k).

As regards the relevant date for application of this absolute ground for refusal, the Guidelines state the following in page 55⁵:

*“Article 7(1)(k) CTMR applies only in respect of PDOs/PGIs that were applied for before the CTM **and** are registered at the time of examining the CTM. The relevant dates for establishing the priority of a trade mark and of a PDO/PGI are the date of application of the CTM (or the so-called Paris Convention priority, if claimed) and the date of application for protection of a PDO/PGI to the Commission respectively”.*

The Guidelines equal trade marks and Geographical Indications in respect of the relevant date for establishing their priority, i.e. the date of their application. However, it is also required that, at the moment of the examination, the PDO/PGI is already registered. In practice, that requirement would break the equality between both rights and would be in contradiction with the relevant EU Regulations on PDO/PGI (art. 14 of Regulation 1151/2012). Moreover, the practice shows that the registration of a PDO PGI might take several years. Likewise, the required first “screening” provided by Member States before submitting a PDO PGI request to Brussels, ensures a very high level of acceptance of PDO PGI applications. Finally, a PDO PGI exists de facto before its recognition by the EU, in fact the relevant products are normally on the market and are subject to independent controls before an application is submitted. The possibility of requesting the cancellation of the trade mark conflicting with it once the PDO PGI recognition process is completed, would result in an unnecessary burden for producers’ groups. **Therefore, we deem that the requirement of the effective registration should be deleted, being sufficient that, at the date of the examination of the CTM application, the PDO/PGI has been applied for.**

- ‘Comparable goods’ and ‘Products of the same type’

We support the interpretation carried out by the Draft Guidelines in page 63 according to which ‘comparable goods’ (concept mentioned in Article 13 of Regulation

⁵ Guidelines for Examination in the Office, Part B Examination, Section 4, Page 39.

1151/2012) and ‘products of the same type’ (concept referred in Article 14 of Regulation 1151/2012) must be interpreted as synonyms. Indeed, there is no reason to attribute a different meaning to each of these concepts.

In the field PGI of spirit drinks, Article 23 of Regulation 110/2008 does not require that the applied trade mark must relate to ‘products of the same type’: “*The registration of a trade mark which contains or consists of a geographical indication registered in Annex III shall be refused or invalidated if its use would lead to any of the situations referred to in Article 16*”. We deem that it should not be granted a lower degree of protection to PDO/PGI for agricultural products against trade mark applications.

- Protection of PDO/PGI against CTM applications covering services

As pointed out in respect of Article 7(1)(j), we deem that the Guidelines defines a very restrictive application of the ground for refusal set forth in Article 7(1)(k) CTMR that would allow the registration of CTM whose conflict with a given PDO/PGI is self-evident. We refer, in particular, to CTM applications covering services which are expressly addressed to products covered by the PDO/PGI, such as retailing or distribution of the relevant product. To make it clear, under the approach defined in the Guidelines, ‘PARMIGIANO REGGIANO’ for ‘*distribution of cheese*’ or ‘CAFÉ DE COLOMBIA’ covering ‘*cafés*’ would not be objected. Therefore, even if the Office will not examine *ex officio* PDO/PGI’s reputation or the misleading character of the sign applied for, it is our opinion that Article 7(1)(k) CTMR should be applied when the CTM is applied for services clearly linked or expressly addressed to the product covered by the PDO/PGI.

- Protection of PDO/PGI against CTMs covering goods that contain the good protected by the PDO/PGI as an ingredient.

The Guidelines indicate⁶ that “*A restriction is not necessary if the goods covered by the PDO/PGI are used as a secondary, not commercially relevant ingredient of the claimed goods*”.

In that regard, it must be stressed that, in Regulation (EU) No 1151/2012, protection of PDO/PGI is expressly granted against uses of the relevant product as an ingredient (see Art. 13.1.a of the aforesaid Regulation). Accordingly, the expression ‘product of the same type’ of Art. 14.1 must embrace, at least, products that contain the good protected by the PDO/PGI as an ingredient – irrespective of whether or not such an ingredient seems ‘commercially relevant’ or not. In our view, the additional requirement relating to the ‘commercial relevance’ of the ingredient has no legal basis.

- CTM applications whose only denominative part consists solely of the PDO/PGI.

In this regard, the Guidelines⁷ foresee the same than in Article 7(1)(j) CTMR. Therefore, our recommendations submitted in that respect (see pages 6 and 7 of this document) also apply with regard to Article 7(1)(k) CTMR.

⁶ Guidelines for Examination in the Office, Part B Examination, Section 4, Page 66

⁷ Guidelines for Examination in the Office, Part B Examination, Section 4, Page 56

II. Relative grounds for refusal

- Bilateral agreements concluded between third countries and EU members

These international agreements – irrespective of whether they have been signed before or after its accession to the EU – are part of the national law. Therefore, they must serve as basis of the opposition pursuant to Art. 8(4) CTMR, in so far as they were concluded before the entry into force of the uniform EU system of protection in the given product area, without further requirements or narrower application than in case of any other national law. **Therefore, we deem that the Guidelines are not coherent when establishing a limited application of bilateral agreements concluded between third countries and EU Member States (“only when the opponent expressly refers to the exception and supports it by a coherent line of argument and relevant evidence”).** A solution should, therefore, be found that would ensure a predictable and coherent outcome when a EU Member State submits an objection based on the protection conferred to a geographical indication in its jurisdiction via a bilateral or plurilateral agreement.

- The requirement of the ‘use in the course of trade’ in the case of PDO/PGI

When analyzing the requirement of the use of a PDO/PGI in the light of Article 8(4) CTMR, the Guidelines⁸ point out the following:

*“Where a PDO PGI is invoked under Article 8(4) CTMR, as for all other signs under this article, the opponent **must prove that the sign is used in the course of trade of more than mere local significance.** The use must be made in accordance with the essential function of such a sign, namely **to guarantee to consumers the geographical origin of the goods and the special qualities inherent in them,** but it must also be shown that the sign was used in the course of trade, that is, **as a distinctive element which serves to identify an economic activity engaged in by its proprietor** (see judgment of 29/03/2011, C-96/09P*

⁸ Guidelines for Examination in the Office, Part C Opposition, Section 4, Page 15

'BUD', paras. 147 and 149, respectively). Therefore, documents mentioning a PGI exclusively in a non-trade context are not sufficient for the purposes of Article 8(4) CTMR".

We agree on the fact that *"The use must be made in accordance with the essential function of such a sign, namely to guarantee to consumers the geographical origin of the goods and the special qualities inherent in them"*. However, we deem that the following statement is not in line with the real nature and functions of PDO/PGI:

"(...) but it must also be shown that the sign was used in the course of trade, that is, as a distinctive element which serves to identify an economic activity engaged in by its proprietor".

From the above it might be concluded that the OHIM is introducing the requirement that the PDO/PGI has to be used as a trade mark, since the function of the PDO/PGI is not *"to identify an economic activity"*. It must be reminded that the true purpose of a PDO/PGI is to identify the geographical origin of a product and its compliance with the relevant Product Specifications.

III. General Comments

As concrete cases affecting oriGI members show that, in spite of the tremendous progress made by the Guidelines, similar cases are decided differently by different examiners, we suggest that:

- i. Training activities for trade mark examiners are organised by OHIM.
- ii. The idea of constituting a group of senior examiners to exclusively deal with trade mark applications conflicting with PDO PGI is evaluated.