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Geographical Indications in Russia

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Regulatory framework

- The concept of "geographical indication" (GI) appeared in the Russian legislation on July 27, 2020, when the Federal Law dated July 26, 2019 № 230-FZ.
№ 230-FZ "On Amendments to Part Four of the Civil Code of the Russian Federation and Articles 1 and 23 of the Federal Law" On State Regulation of Production and Turnover of Ethyl Alcohol and Alcohol-Containing Products and Restrictions on Consumption (Drinking) of Alcohol Products" (hereinafter - the "CG Law") came into force.
Corresponding amendments were made to the Civil Code of the Russian Federation - part four.
- Currently, there is a State Register of GIs and AOs of the Russian Federation. 271 designations were registered in this Register, of which only 14 are GIs, the rest are appellations of origin (AOs).
- The list of GIs that have been issued includes mineral water, alcoholic beverages, butter, honey and vegetables.
- Earlier GIs were not used for the protection of products in Russia. Russian legislation from 1992 provided only AOs.
- GI may be registered by one or more citizens, one or more legal entities, as well as by an association (union).
- Persons who have registered the GI are granted exclusive rights to this GI, provided that the goods in respect of which the GI is registered, meet the requirements of the Civil Code.
- At the same time, the exclusive right to the GI in respect of the same GI may be granted to any person who, within the same geographical area, produces goods with the characteristics specified in the Register of GIs and AOs.



Emblem for GI

- Since July 27, 2020 the right holders now have the opportunity to put special emblems on GI or AO, confirming that a GI or AO has been registered in respect of this product, and the manufacturer has the exclusive right to this GI or AO.
- The emblems for GIs and AOs were developed by the Federal Service for Supervision of Consumer Rights Protection and Human Welfare (Rospatent) and selected by a vote with the participation of the public, business, specialists in the field of intellectual property.





Sector potential and obstacles

GI as a tool to achieve sustainability

Producers of GIs cooperate with local producers, including agricultural producers, and increase local employment.

The production of GIs is also associated with the preservation of cultural traditions. For example, "Shuya soap" is now being registered as an object of intangible cultural heritage of the Ivanovo region.

In some cases, enterprises provide an influx of tourists to the places of production of goods with GIs, which also contributes to the solution of social issues.

Obstacles

GIs actors in the value chain have no obvious or acute problems or obstacles related to the fact that they produce specifically GIs.

On the other hand, producers of GIs do not receive any special rewards from the national government and regional authorities.

GIs are also restrained by the fact that it is difficult for producers to ensure a stable presence in retail chains.

Krasnodar tea producers also note that so far local authorities have not allocated a single place in Sochi and other cities in the region for founding of at least one branded outlet.



Market situation

Geography of sales

Russian GIs are sold mainly on the domestic market.

Certain products (such as national Buryat clothing and headdresses) are sold in places of traditional use by pre-order.

There is also interest in GIs in other countries, but producers note a number of difficulties associated with exporting small parties of GIs, from certification of goods in accordance with the requirements of other countries to finding partners to promote, store and transport the products in the host country.

The main distribution channels of Russian GIs are large retail, e-commerce, as well as direct deliveries by advance individual orders of the population.

The influence of the Covid 19 pandemic

Some GIs are perceived by tourists as a souvenir. In this regard, a decrease in the flow of tourists affects the volume of sales.

As a result of quarantine measures, the resort city of Sochi was closed to tourists from May to mid-July 2020. The absence of tourists for more than two months had a negative impact on the sales of “Macesta tea”.

At the same time, there has been an increase in customer activity on the Aliexpress marketplace, where some GIs are represented.



The main problems of Russia in GI promotion

- Currently national producers and their associations registering GIs do not receive direct financial support from the government. At the same time, it should be noted that for some types of applicants the rates for filing GI/AO applications have been reduced.
- There are currently no national (as well as regional) funds/programs to support the promotion of GIs in Russia.
- There is currently no system of *ex officio* control of GIs on Russian market.
- Russian GIs still have no legal protection abroad. This creates the possibility of unfair competition on the part of foreign suppliers.
- National consumers are not yet sufficiently familiar with the general description of GIs (quality associated with a particular geographical area, traditions, reputation).

In this regard Rospatent is working extensively in this direction. Rospatent has organized a number of trips to the regions, videoconferences with the regions. A lot of interviews of Rospatent managers were published in various periodicals. A special thematic train in the Moscow subway for half a year was running.



The role of FAO

FAO can take the following actions on developing GIs in Russia:

1. Formulate recommendations for the effective promotion and official control of GIs on the Russian market (ex officio) and communicate them to the government and interested ministries.
2. Disseminate information on GIs (foreign experience, links to sustainable development, etc.) among national producers and consumers of GIs.
3. Organize educational events in Russia to promote GIs.

It is advisable to involve ministries, educational institutions, associations of producers and exporters in this work.

In particular, the National Union of Food Exporters can publish information on GI issues in the journal "AGROS", hold conferences and seminars, ensure the participation of national GI producers in foreign exhibitions and fairs.