

“Morbier case”: GI protection in the EU covers the shape or appearance of the product if that reproduction is liable to mislead the consumer, by Ms. Silvia Francazi, Lawyer

On 18 November 2022, the Paris Court of Appeal settled the dispute between the *Syndicat Interprofessionnel de defense du Fromage Morbier* (hereinafter, the “*Syndicat*”) and the *société Fromagère du Livradois SAS* (hereinafter, the “*Société*”), producer, since 1979, of the cheese called (since 2007, previously “Morbier”) “Montboissié du Haut Livradois”, definitively ascertaining the illegality of the adoption, by the latter, of an aesthetics analogous to that of Morbier, for the presentation of the cheese of its own production.

1. Summary of previous degrees of judgment

The Parisian Court ruled in reform of a previous sentence, annulled by the Court of Cassation following the preliminary ruling of the Court of Justice of the European Union of 17 December 2020, relating to the interpretation of the provisions of articles 13, par. 1, of the European Regulations nos. 510/2006 and 1152/2012, in which it was precisely highlighted how the protection afforded to PDOs by these rules does not operate with exclusive regard to the use, by third parties, of the designation, but also to the reproduction of the shape or external appearance of the product covered by the designation, where such reproduction is likely to induce the consumer to believe that the same designation refers to the product in question.¹

In detail, the *Syndicat* had accused the *Société* of causing damage to the protected designation and of committing acts of unfair and parasitic competition, by producing and marketing a cheese visually similar to the product protected by the PDO “Morbier” – in particular, marked by a black strip placed horizontally on the cheese shape so to separate it in two parts – in order to create confusion with the PDO product and to exploit the reputation of the image associated with it, without having to comply with the product specification.

The plaintiff’s requests – respectively, for a sentence to the immediate cessation of any direct or indirect commercial use of the PDO for products not complying with the product specifications, for any usurpation, imitation or evocation of the same as well as any other false or misleading indication relating to the provenance, to the origin, nature or essential qualities of the product by any means capable of misleading the origin of the product, or any other practice capable of misleading the consumer as to the true origin of the product, as well as compensation for damages – had been rejected first with a sentence of 14 April 2016 of the *Tribunal de grande instance de Paris* and, subsequently, with a sentence of 16 June 2017 of the *Cour d’appel de Paris*.

In particular, the French courts of first and second instances had denied that the marketing of a cheese reproducing the PDO Morbier characteristic shape constituted an infringement, highlighting, in a nutshell, how the GI legislation in the EU is not intended to protect the appearance of a product or to inhibit the use of manufacturing techniques or the reproduction of one or more characteristics contemplated in the

¹ The Fifth Chamber had recognized the susceptibility of the reproduction of the aesthetics of a product a PDO refers to constitute a practice capable of misleading the consumer as to the real origin of the product – pursuant to Articles 13(1) of Regulations 510/2006 and 1151/2012 respectively – regardless of the reproduction of the same name.

specifications for a product not covered by the PDO, but rather its designation. As a result, adopting the Courts' view, in the absence of specific rights, these elements were susceptible to legitimate use, in compliance with the principle of free competition.

The hermeneutic approach adopted by the Tribunal and the Court of Appeal was based on the assumption that, in the absence of an exclusive right, the reproduction of the aesthetics of a product falls within the sphere of freedom of trade and industry and that the horizontal stripe constituted an expression of an ancient historical tradition also referable to cheeses other than Morbier, applied by the *Société* even before the recognition of the PDO and not based on investments made by the *Syndicat* or its members.

Precisely on the basis of these considerations, the annulled sentence had failed to rule on the question relating to the possibility of recognizing in the horizontal line aimed at separating each wheel in half, as claimed by the *Syndicat*, a particularly distinctive characteristic of reference for the “*Morbier*” as well as its reproduction, associated with all the relevant factors of the case, as likely to mislead the consumer as to the actual origin of the product marketed under the name “*Montboissié*”.

In support of its appeal to the *Cour de cassation*, the *Syndicat* had argued that the protection of the PDO should be understood, pursuant to articles 13 of Regulations nos. 510/2006 and 1151/2012, directed against any practice such as to mislead the consumer as to the real origin of the product, underlining as it had not been faced, *funditus*, the question whether the insertion of the dark central strip, placed separating each example of wheel, was suitable for misleading the consumer on its real origin.

For its part, the *Société* had argued that the existence of the PDO is not preclusive with respect to the possibility, for operators not entitled to use the designation, to produce and market similar products, provided that they do not lead to believe that they benefit from the designation itself, through the use of the sign constituting the designation or through the usurpation or the evocation of the said PDO.

In particular, the *Société* had argued that the “practice which may mislead the consumer as to the true origin of the products”, pursuant to the respective articles 13, paragraph 1, letter d), of Regulations nos. 510/2006 and 1151/2012, should necessarily have concerned the origin of the product, since it could not *sic et simpliciter* derive from the mere aesthetics of the product itself, regardless the presence of indications referable to the protected origin affixed on the packaging.

2. Motivational process of the ruling rendered on November 18, 2022 by the Paris Court of Appeal

In its ruling of 18 November 2022, the Paris Court of Appeal, invested with the judgment following the annulment, by the Court of Cassation, of the previous ruling, outlines, according to what will be specified, in a manner responsive to the input of the Court of Justice as well as outlining a revirement with respect to the previous stages of the dispute in question, the essential acceptance of the arguments of the *Syndicat*, based on the enhancement of the susceptibility of the rules on PDO protection to protect *Morbier* from any direct or indirect use of the designation for products to which the designation isn't referred, as well as from any usurpation, imitation or evocation of the designation or false or misleading indication as to the provenance,

origin, nature or essential qualities of the product, by any means such as to give a wrong impression of the origin of the product. In other terms, the ruling affords to the PDO protection the susceptibility to encompass any practices such from to mislead the consumer with respect to the actual origin of the product, including the use of a horizontal line separating the cheese² into two parts, present in both *Morbier* and *Montboissié*.

In the motivational process, attention focused on the horizontal line distinguishing *Morbier* cheese, the decision first of all questioned the possibility of recognizing the same element as a “reference and particularly distinctive feature” of the product, highlighting how the fulcrum of the dispute consisted in the reproduction, in relation to the “Montboissié” cheese, of all the characteristics concerning the aesthetics of the product, not required by the production method, typical of the cheese protected by designation.

In this regard, the Court recalled how, in the conclusions rendered by the Advocate General of the Court of Justice in the context of case C-490/19 (point 36 of the ruling), it was stated that article 13, par. 1, letters from a) to d) of Regulations nos. 510/2006 and 1151/2012 provides for broad-spectrum protection, such as to prohibit, on the one hand, the use, usurpation and evocation of the protected designation and, more generally, any parasitic practice aimed at taking advantage of the relative reputation and, on the other hand, any conduct likely to determine a likelihood of confusion between the products that benefit from this designation and others.

In the wake of this approach, the Court admitted that, although the name does not have the function of protecting the characteristics of the product, it is not excluded that its use, by others, could constitute a practice such as to mislead the consumer. On this point, the motivation has, in particular, recalled how the Court of Justice, in its ruling of 17 December 2020, specified – with respect to the possibility, for the reproduction of the shape or aesthetics of a product protected by a registered designation, to constitute a prohibited practice pursuant to art. 13, par. 1, lit. d) of Regulations nos. 510/2006 and 1151/2012 – how the expression “*any other practice*” can also be referred to the reproduction of the shape or aesthetics of a product protected by a registered designation, where it does not appear neither on the product nor on the packaging but the reproduction is likely to mislead the consumer as to the actual origin of the product, parameterizing this judgment to the perception of an average European consumer, normally informed and reasonably observant, considering all relevant factors, including the methods of presentation to the public and of marketing the products and the factual context (point 39 of the ruling).

This stated in abstract terms regarding the susceptibility of aesthetic elements, typical of the product protected by the PDO, to the extent that they also pertain to something else, not produced in compliance with the Regulations, of constituting “another illegitimate practice” pursuant to articles 13, par. 1, lit. d) of the Regulations in question, the Court paused to examine whether, on a concrete level, in the present case, the dark stripe could be considered, on the basis of the probative elements assumed and following the arguments of the *Syndicat* – relating to the impossibility for the central horizontal dark line reproduced in the center of the

² “[...] *autre indication fautive ou fallacieuse quant à la provenance, l'origine, la nature ou les qualités essentielles du produit par quelque moyen que ce soit qui serait de nature à créer une impression erronée sur l'origine du produit, toute autre pratique susceptible d'induire le consommateur en erreur quant à la véritable origine du produit, et spécialement toute utilisation d'une raie sombre horizontale séparant deux parties du fromage [...]*”.

Morbier cheese to be intended as an expression of a technical function - connected to the manufacturing process – an element constituting a mere sign of recognition.

On this point, *inter alia*, the examination of surveys conducted in various European countries allowed the Court to affirm the possibility to recognize to the horizontal line the status of reference and particularly distinctive (evocative) characteristic of the *Morbier* cheese, taking perspective of the average European consumer, normally informed and reasonably careful.

As for the further characteristics of shape (cylindrical), size (height 6 cm, diameter of 25 cm) as well as consistency and color (sticky paste cut with a knife, ivory in colour, characterized by a small opening with small holes flattened) of the *Montboissié* wheel, which the *Syndicat* had argued to be identical to those of *Morbier*, although some differences emerged, relating to the size of the wheel, the exact color of the rind, the consistency and color of the paste, the length of the central horizontal line, to the composition of the cheese (pasteurized only for *Montboissié*), these were not considered by the Court to be decisive, or capable of suggesting to the average consumer a ‘deviation’ of image from that of *Morbier*, to which it would, in any case, have assimilated and confused *Montboissié*.

The examination of these characteristics, as well as of the outcome of the survey and methods of usual presentation to the public of the respective products in France and in the European territory – through photographs such as to immortalize segments instead of the whole wheel, bringing out the dark stripe – allowed the Court to recognize the evocativeness of the general appearance of *Montboissié*, both externally and relating to the internal paste (ivory-colored, with small holes and crossed in its center by the dark stripe), of the *Morbier* cheese.

In other words, it was recognized that the dark stripe is likely to mislead the consumer, as to the real origin of the product, making the latter refer, due to the overall very similar appearance, to *Morbier* himself; discrepancies in the composition of the cheese or the color of the central line were considered insufficient to eliminate the likelihood of confusion, as were differences in the point of labeling and designation.

Given the above with regard to the nature of the assessment explained in the reasoning part of the ruling, the Court, in addition to prohibiting the *Société* from continuing the production and sale of a cheese with the distinctive dark horizontal line of *Morbier*, deeming that they were derived damages to the *Syndicat* both in terms of loss of profit and of a moral nature and, conversely, earnings to the *Société* – including cost savings deriving from the lack of investment in the field of intellectual property protection, materials and promotional, in consideration of the counterfeiting of *Morbier*, whose promotion had been allowed by the investments of the relative producers – ordered the Company to compensate the *Syndicat* for Euro 5,000.00 (moral prejudice) and for Euro 10,000.00 by way of economic prejudice and interest, as well as the reimbursement of the legal costs incurred for the first and second instance of judgment (liquidated overall in the amount of Euro 50,000.00).

3. Conclusive remarks

As anticipated, the French Court appears to have expressed itself in the wake of the the EU Court of Justice judgement, on 17 December 2020, in case C-490/19, *Syndicat interprofessionnel de défense du fromage Morbier c. Société Fromagère du Livradois SAS*. The EU Court of Justice had stated that having regard to the violation of the protected designation of origin “Morbier” as well as acts of unfair and parasitic competition allegedly carried on to the detriment of the *Syndicat* – in relation to the request for a preliminary ruling, pursuant to article 267 T.F.U.E., by the French *Cour de cassation*, concerning the question “*Must Article 13(1) of Regulation No 510/2006 ... and Article 13(1) of Regulation No 1151/2012 ... be interpreted as prohibiting solely the use by a third party of the registered name, or must they be interpreted as prohibiting the presentation of a product protected by a designation of origin, in particular the reproduction of the shape or the appearance which are characteristic of it, which is liable to mislead the consumer as to the true origin of the product, even if the registered name is not used?*” the principles of right on the basis of which (i) “*Article 13, paragraph 1, of Regulation (EC) no. 510/2006 of the Council, of 20 March 2006, concerning the protection of geographical indications and designations of origin of agricultural and food products, and article 13, paragraph 1, of regulation (EU) n. 1151/2012 of the European Parliament and of the Council, of 21 November 2012, on the quality schemes of agricultural and food products, do not prohibit solely the use by a third party of a registered name*”; (ii) “*Article 13, paragraph 1, letter d), of regulation no. 510/2006 and article 13, paragraph 1, letter d) of regulation no. 1151/2012 must be interpreted as prohibiting the reproduction of the shape or appearance characterising a product covered by a registered name where that reproduction is liable to lead the consumer to believe that the product in question is covered by that registered name. It is necessary to assess whether such reproduction may mislead the European consumer, who is reasonably well informed and reasonably observant and circumspect, taking into account all the relevant factors in the case*”.

Therefore, the hermeneutical approach adopted by Luxembourg is obliterated, on the basis of which by articles 13, paragraph 1, of Regulations nos. 510/2006 and 151/2012, not only the prohibition of the use, by a third party, of the registered designation could be deduced, but, rather, a graduated list of prohibited behaviours³, including: (i) as regards what is *sub lett. a)* of the respective provisions, the direct or indirect use of a registered name for products that are not subject to registration, in a form that is identical or strongly similar from a phonetic and/or visual point of view⁴; (ii) as regards the *sub lett. b) – d)* of the respective provisions, other behaviors that do not involve the direct or indirect use of the same designations⁵.

Wishing to retrace the argumentative process opted by the Court of Justice, these considerations had, in the first place, allowed the Fifth Section drawing attention to the need of distinguishing between the violations resulting

³ European Union Court of Justice’s Judgement of 2 May 2019, C-614/17, *Fundación Consejo Regulador de la Denominación de Origen Protegida Queso Manchego c. Industrial Quesera Cuquerella SL, Juan Ramón Cuquerella Montagud*, p. 27.

⁴ In this regard, the pronouncement refers to the European Union Court of Justice’s Judgement of 7 June 2018, C-44/17, *Scotch Whisky Association c. Michael Klotz*, p. 29, 31 and 39.

⁵ That is, as recalled, usurpation, imitation or evocation or any other false or misleading indication of the origin, origin, nature or essential qualities of the products used on the packaging or packaging, the advertising or documents relating to the products and the use, for packaging, of containers liable to mislead the consumer as to the origin or any other practice likely to mislead the consumer as to the actual origin of the products.

from misuse of the designation – referred to in respective articles 13, par. 1, let. a), of the Regulations in question – and those which, while not concerning the use of the designation, are such as to suggest it, so as to induce the consumer to establish a sufficient connection of proximity with said designation, referred to in letters b)- d).

As for the case of “evocation”, the Court had recalled how the same can be said to be integrated where the consumer, in the presence of a disputed designation, is induced to have as image of reference the goods protected by the PDO – a circumstance which it is for the national court to assess taking into account, where appropriate, the partial incorporation of a PDO in the contested designation, a phonetic and/or visual similarity of that designation with that PDO, or even a conceptual similarity between that designation and that PDO – as well as, on the basis of the most recent guideline⁶, as regards the possible relevant conduct pursuant to article 13, paragraph 1, letter b), of regulation no. 510/2006, of the use of figurative signs, where the same are directly suitable for recalling in the mind of the consumer, as an image of reference, due to their conceptual proximity to the same designation, the products that legitimately benefit from them.

Regarding the traceability of the violative conduct pursuant to, respectively, articles 13, paragraph 1, letter c), of the aforementioned Regulations, to those referred to in letters a) and b), to “*any other indication*”, the Fifth Section had clarified how this wording refers to the information affixed, in any form, on packages or packaging or to information included in advertising or referred to in documents relating to the products, which, while not evoking the protected geographical indication, can be qualified as false or misleading with respect to provenance, origin, nature or essential qualities of the product, in view of the susceptibility of these elements to act as a link between the product and the indication.

Finally, with respect to the conduct referred to in the respective articles 13, paragraph 1, letter d), of the same Regulations, the mentioned expression had been recognized as not specifying the prohibited conduct (admittedly stigmatizing as violative, all behaviors other than those prohibited by the respective articles 13, paragraph 1, letters from a) to c) likely to mislead the consumer as to the real origin of the product), unequivocally certify that the protection regime of DOP and IGP is inspired by the need to ensure maximum clarity of information about the origin and properties of the products, functional to the fulfillment of more informed purchasing choices as well as to avoid misleading practices with regard to the quality of the product which, in the case of the PDOs and PGIs, is consubstantial with the origin from a given geographical area.

With the decision of 18 November 2022, the Paris Court of Appeal accepted an extended conception of the protection of PDOs, capable of granting, pursuant to European Regulations nos. 510/2006 and 1151/2012, a protection even regardless of the use of the registered designation *tout court* but referable to the material characteristics of the product covered by the designation, to the extent that the same, also present in another product not covered by the protected designation, are suitable for misleading the consumer with respect to the actual origin of the latter, determining its assimilation to the PDO product.

⁶ It is expressly referred to the European Union Court of Justice’s Judgement of 2 May 2019, C-614/17, *Fundación Consejo Regulador de la Denominación de Origen Protegida Queso Manchego c. Industrial Quesera Cuquerella SL, Juan Ramón Cuquerella Montagud*, p. 18 e 22.

The interpretation outlined therein of the statement referred to in paragraph 1, letter d) of the same Regulations, as also suggested by the Advocate General in the context of the European judgment, guarantees that the provision fulfills the role of standard completing the protection of registered designations⁷, such as to prepare – in consideration of the ability of the PDO to identify a product originating in a specific geographical area, characterized by qualities or characteristics that can be connected only to that area and its intrinsic natural and human factors – a protection related to its natural reference to a product with certain qualities or characteristics, avoiding the parasitic exploitation of the exteriority of the product to which the designation refers.

⁷ See paragraph 27 of the Conclusions of Judgment C-490/19.