



Newsletter

WTO upholds the rights of the EU's 700 GI holders

A report by a WTO panel published on 15 March confirms that the EU system of protection of geographical indications (GIs) for agricultural products complies with WTO rules. The WTO confirmed, in particular, that GIs can coexist with established trademarks.

The WTO panel was brought by the United States and Australia against the EU system of protection of geographical indications and designations of origin for agricultural products and foodstuffs, other than wines and spirits, under the WTO TRIPs agreement (1).

A GI attests to the link between a given quality, reputation or other characteristic of a product and its geographical origin. The EU devised systems for developing and protecting these denominations (2), in 1992, in order to:

- protect product names from misuse and imitation;
- help consumers by giving them information concerning the specific character of the products.

When a product acquires a reputation extending beyond national borders it can find itself in competition with products which pass themselves off as the genuine article and take the same name. This unfair competition not only discourages EU producers but also misleads consumers. The protection of geographical indications is therefore not just an integral part of the EU's quality policy — the EU is also at the forefront of efforts to strengthen the protection of GIs internationally.

This is why the EU defends the GI system so vigorously in the WTO, including in the recently concluded panel.

The panel report upholds the integrity of the EU system and rejects the vast majority of the claims made by the United States and Australia.

Regarding the relationship between GIs and trademarks, the panel confirmed that the provision in the EU system allowing for the 'coexistence' of GIs with prior trademarks under certain circumstances is fully justified under the TRIPs agreement.

In addition, the EU has continuously sought to dispel charges that its system discriminates against GIs relating to geographical areas in third countries, in violation of the WTO 'national treatment' rules. It should be noted that the EU system is open also to applications for registration of GIs from third countries. The panel report asks the EU to clarify the rules in this respect, to allow producer groups from third countries to apply directly rather than having to go through their governments.

The panel report upholds another important element of the EU system — the requirement for inspection structures to verify that the conditions for each GI are fulfilled in order to benefit from the high level of protection against unlawful use.

Mariann Fischer Boel, Commissioner for Agriculture and Rural Development, reacted to the news of the panel report saying, 'I am very pleased with this outcome and look forward to working together with all WTO members to strengthen the protection of quality agricultural production'.

Her colleague Trade Commissioner Peter Mandelson added, '...by confirming that geographical indications are both legal and compatible with existing trademark systems, this WTO decision will help the EU to ensure wider recognition of geographical indications and protection of regional and local product identities, which is one of our goals in the Doha Round of multilateral trade negotiations'.

Information on the products covered by EU food quality policy is available at:

http://europa.eu.int/comm/agriculture/foodqual/protec/types/index_en.htm

There are approximately 700 GIs registered under the regulation today. In addition, over 1 400 geographical indications for wines and spirits are protected under the wine CMO.

EUR 10.2 million to promote EU agricultural products outside the EU

On 14 March, the Commission approved 10 programmes, worth EUR 20.5 million, to provide information on, and to promote, agricultural products outside the EU. The Commission contributes 50% of the total budget. These third-country activities are in addition to promotional efforts part-funded by the EU on the 'home' market.

The EU has an annual budget of about EUR 59 million for financial support for activities on 'foreign' markets and on the 'home' market. This can fund public relations, promotional or publicity measures highlighting particular advantages of EU

foodstuffs — such as the quality, hygiene, food safety, nutrition, labelling, animal welfare or environmental advantages of EU products. Measures can also cover participation at events and fairs, studies into new markets, and information campaigns on the EU system of GIs and other quality designations or promotion of organic farming.

The Commission normally contributes half of the cost of the measures accepted (although it can finance certain specific measures — for example, information on EU quality and la-

(1) Agreement on trade-related aspects of intellectual property rights.

(2) PDO (protected designation of origin), PGI (protected geographical indication).

bellings systems, high-level visits and studies — at 100%). The other part of the cost is paid by Member State governments and by professional and inter-professional organisations. Awards of EU funding are usually made twice per year.

The programmes that have been accepted are aimed at North America, China, Russia, India, Japan and countries of central and eastern Europe. The EU financial contribution is

worth EUR 10.2 million. Foodstuffs covered are wine, olive oil, meat and dairy products ⁽³⁾.

Since 2001, the Commission has approved third-country promotion programmes worth about EUR 80 million in total, under the relevant regulations ⁽⁴⁾. Italy, France and Spain have been the most active countries in initiating such programmes.

⁽³⁾ Further details can be found at:

<http://europa.eu.int/rapid/pressReleasesAction.do?reference=IP/05/291&format=HTML&aged=0&language=EN&guiLanguage=en>

⁽⁴⁾ Council Regulation (EC) No 2702/1999 of 14 December 1999 on measures to provide information on, and to promote, agricultural products in third countries (OJ L 327, 21.12.1999). Commission Regulation (EC) No 2879/2000 of 28 December 2000 laying down detailed rules for applying Council Regulation (EC) No 2702/1999 (OJ L 333, 29.12.2000).

News in brief

EU action plan for sustainable forest management

The Commission is stepping up its forestry efforts, proposing an EU action plan for sustainable forest management that will contain proposals to enhance the contribution of forestry to sustainable development, in particular in rural areas.

The need for an action plan emerged from a review of activities implemented as part of the EU's forestry strategy, since its adoption in December 1998. The Commission believes that forestry has the potential to contribute both to the Lisbon objectives of sustainable economic growth and competitiveness, and to the Gothenburg objectives of safeguarding the quantity and quality of the natural resource base.

This is the background to the action plan proposal initiated on 11 March by Commissioner Mariann Fischer Boel (Agriculture and Rural Development) in association with Commission Vice-President, Günter Verheugen (Enterprise and Industry), the Commissioner for Environment, Stavros Dimas, and the Commissioner for Energy, Andris Piebalgs. The proposal was put forward in a Commission communication which emphasises that the competitiveness and economic viability of the 'EU forestry model' are increasingly being challenged in the global market place. There are about 15 million private forest owners in the EU who provide a wide range of environmental and social goods and services to society and who rely largely on wood sales for revenue.

The Commission aims to produce the action plan in 2006. Member States and stakeholders will be closely involved in the consultation process.

The communication and a staff working document are available at:
http://europa.eu.int/comm/agriculture/publi/reports/forestry/index_en.htm

More information on the EU forestry strategy is available at:
http://europa.eu.int/comm/agriculture/fore/index_en.htm

Coexistence of GM crops with conventional and organic agriculture

The Commission will review the measures taken by Member States to ensure the coexistence of GM and non-GM crops.

The Commission has taken stock of the EU's legislative framework on genetically modified organisms (GMOs). Rules regulating genetically modified food, feed and crops are some of the strictest in the world, including tough standards of scientific assessment

and safeguards for consumers and the environment. Clear labelling rules allow farmers, other users and consumers to choose whether or not to purchase GM products.

The cultivation of GM crops has implications for agricultural production systems. Pollen flow between adjacent fields is a natural phenomenon. Because of the labelling requirements for GM food and feed, this may have economic implications for farmers who want to produce traditional plants intended for food. Coexistence is about giving farmers the practical choice between conventional, organic and GM crop production in compliance with the legal obligations for labelling and purity standards.

The Commission wants to develop consensus among interested parties in the coexistence debate. It will reflect on possible further regulatory steps on the basis of a report to be finalised by the end of 2005. This will take into account experience gained in the Member States. For the time being, it is up to Member States to develop and implement management measures covering coexistence, within EU guidelines.

WTO agricultural negotiations: market access issues

Progress was made in WTO agricultural talks at the recent WTO mini-ministerial meeting in Mombassa (Kenya), notably over the timetable for agreement and in finding a way forward in market access talks.

In Mombassa, all parties agreed to go for full 'modalities' (details of a final agreement on all aspects — domestic support, export subsidies and market access) at the Hong Kong WTO ministerial meeting in December 2005, and to maintain the objective of tabling a first 'approximation' of modalities by the end of July.

On market access it was agreed that a methodology had to be established by the end of the April agricultural session in the WTO so that crucial calculations of *ad valorem* tariff equivalents could be made. Verification of these calculations and work on a tariff reduction formula could then take place.

Publications: items of interest on the Agriculture and Rural Development DG website

The new common agricultural policy leaflet *A policy evolving with the times* is now available in Spanish, Danish, German, Greek, English, French, Italian, Dutch, Portuguese, Finnish, Swedish and soon in the languages of the new Member States. To order copies, please send an e-mail to: agri-library@cec.eu.int

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