



### **Questions and Answers: Regulation on geographical indications for craft and industrial products**

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#### **What is a geographical indication?**

A geographical indication (GI) is a sign used to indicate that a product has a specific geographical origin and possesses a certain reputation or qualities due to that place of origin. A GI typically includes the designation of the place of origin. All producer groups from the area which manufacture a given product in a prescribed way can collectively use the GI. Champagne or Prosciutto di Parma (ham) are well-known examples of agricultural GIs, a framework already in place since 1992.

#### **Why is the Commission introducing GI protection at EU level for craft and industrial products?**

The EU has specific GI protection for wines, spirit drinks and other agricultural products and foodstuffs. However, there was until now no EU-wide mechanism to protect the qualities attributed to specific local skills and traditions relating to other products like craft and industrial products, such as ceramics, glassware, clothing, lace, jewellery, furniture and knives.

Protection of those products is already granted in some Member States. However, different national rules have resulted in varying levels of legal protection across Europe. Craft and industrial products producers who wish to protect a GI throughout the EU have to apply for legal protection Member State by Member State, which is very costly. Moreover, the lack of an EU-wide scheme also prevents EU producers from fully benefiting from protection at international level for their GI products.

#### **Which products fall under the scope of the new regulation?**

Once adopted, the Regulation will apply to craft and industrial products such as natural stones, jewellery, textiles, lace, cutlery, glass and porcelain.

'Craft products' are products produced either totally by hand or with the aid of manual tools or including by mechanical means, whenever the direct manual contribution is still the most important component of the finished product.

'Industrial products' are products produced in a standardised way, typically on mass scale and through the use of machines.

#### **What criteria must the name of a product meet in order to claim GI protection?**

In order to benefit from GI protection, the product needs to comply with the following eligibility requirements that are focused on the geographically rooted product quality:

- Originate in a specific place, region or country;
- Have a quality, reputation or other characteristic that is essentially attributable to its geographical origin; and
- Have at least one production step taking place in the defined geographical area.

#### **How will the registration process work in practice?**

The proposal has been designed to minimise the administrative burden and compliance costs for producers and public authorities, while ensuring equal treatment across the Union.

Under the new Regulation, the registration procedure has two levels:

1. First phase: producer groups or producers will send their application to Member States' authorities. Authorities at national level will assess the application, run the national opposition procedure, and, following a positive result of the assessment, submit a Union application to the European Union Intellectual Property Office (EUIPO).
2. Second phase: the Office will examine the applications in the second stage of the procedure,

running a worldwide opposition procedure and taking a decision to grant or refuse the protection. The Office will also carry out the corresponding procedures for GIs originating in third countries.

Once the decision for registration is taken, the Office will record in the Union register, in particular the registered name, class, and country -or countries- of origin of the product.

For Member States that do not have a national system to protect GIs, the Regulation includes a derogation from the obligation to designate a national authority to implement the first phase procedure. This is called the "direct registration procedure". It provides for a registration procedure directly managed by the Office. In those cases, the relevant Member States have the obligation to designate a competent authority for the controls and enforcement and to take the necessary actions to enforce rights under the Regulation.

As within the GI system for agricultural products, craft and industrial products producers can advertise the protected GI using the same logo on the product labelling. The EU-level craft and industrial products GI rights replace the national specific GI rights in the EU Member States. There will be no coexistence with national regimes.

### **Why not use trade mark laws to protect GIs for craft and industrial products?**

In contrast to GIs, trade mark protection (for example through EU collective or EU certification marks) does not enable producers of industrial and handicraft products to certify at Union level the link between quality and geographical origin that signals qualities attributed to specific local skills and traditions.

Moreover, in contrast to trade mark protection, a specific GI protection system gives incentives to public authorities and producers to establish product specifications. Also, the GI system focuses on integrating regional and local expertise in the application and registration process. It establishes a first stage at Member State level, where national authorities play an initial examination role over local producers' agreed product specifications and GI applications.

### **What are the benefits of an EU-wide GI protection for producers?**

The new protection system ensures fair competition for producers and helps them fight counterfeit products. It strengthens local supply, gives producers incentives to create niche markets, and encourages producers' cooperation amongst themselves and with local authorities.

As within the GI system for agricultural products, producers can advertise the protected GI by a logo on the product labelling. At international level, GI protection enables EU producers to seek international protection for their craft and industrial products available in other markets of those third countries which are Parties to the World Intellectual Property Organization ('WIPO') Geneva Act. It also enables third countries or organisations, Parties to the Geneva Act, to obtain GI protection for their craft and industrial products in the entire EU territory. The Regulation ensures that producers can take full advantage of the opportunities offered by [Geneva Act](#) and thus fully benefit from the international framework for the registration and protection of GIs ('Lisbon system'). It also allows for increased protection for EU craft and industrial products producers in third markets such as China through more ambitious GI provisions in bilateral trade agreements concluded by the EU, which would now also cover craft and industrial products.

Thus, craft and industrial products protection is an incentive for investment in innovation to protect and enhance the high quality of protected products, thereby enhancing competitiveness.

### **What are the benefits of an EU-wide GI protection for consumers?**

The GI protection of craft and industrial products provides consumers with reliable information on the place of production, as well as the specific characteristics or reputation, identity, authenticity and quality of these products.

Consumers can trust that the GI protection is built on a robust system of verification of the territorial link by the competent authorities, and a system of efficient controls, monitoring and enforcement, implemented in partnership with private operators.

Another benefit is the better visibility of the products' geographical origin and production techniques. Consumers attach value to products whose quality is associated with a territorial link. In a [2020 study](#), the Commission found that information on craft and industrial products is often unclear or ambiguous. The GI protection of craft and industrial products is a useful tool to facilitate better visibility and will thus decrease the consumers' search costs (time spent identifying relevant products in the shops).

### **What are the benefits of an EU-wide GI protection for regions?**

The GI protection raises the visibility of the product and the region and helps to attract tourists, increase jobs and the overall competitiveness of the regions. This is especially significant for rural or less developed regions. In addition, sustainable tourism developed around a craft and industrial products GI asset may also reduce tourism seasonality, as craftsmanship offers have a potential to attract tourism throughout the year. This is particularly relevant in the COVID-19 aftermath.

Furthermore, geographically linked products are often made based on local know-how and following local production methods that are rooted in the cultural and social heritage of their home region. GI protection helps to preserve traditional, high-quality products and know-how and the jobs linked to them.

### **What are the costs of a GI protection registration for the producer and how long does protection last?**

In terms of costs, at EU level there are no fees except for the 'direct registration' procedure. However, at national level, Member States may charge fees, like for GIs for wine, spirit drinks and agricultural products. Geographical indications are granted for an unlimited duration period.

### **How is it ensured that producers comply with the product specification and what is the new self-declaration about?**

In order to guarantee the specific characteristics of the GI products, producers will be subject to a control system that verifies compliance with the product specification before the product is put on the market and in the marketplace after the product has been marketed.

The new self-declaration procedure offers Member States an alternative to the conventional third-party control procedure already known from the GI protection scheme for agricultural products. The new procedure provides for the possibility for producers to declare their compliance with the product specification to the competent authority by means of a self-declaration which must be renewed every three years. The accuracy of the information contained in the self-declaration will be checked by the competent authority on a random basis, and a deterrent system of fines will be put in place. The aim is to establish a lighter and less costly control procedure more tailored for producers of craft and industrial products.

### **Does the proposal ensure GI protection on the internet?**

The proposal ensures that GI protection applies to both, the offline and online environment including the domain name system. For that purpose, the proposal clarifies the relationship between internet domain names and the protection of geographical indications by imposing conditions under which infringing and abusive domain name registrations can be revoked or transferred. Also, the recognition of geographical indications in Alternative Dispute Resolution Procedures is reinforced.

In addition, the proposal establishes at the EUIPO a domain name information and alert system that will enable applicants to prevent and take action against potentially infringing domain name registrations.

Finally, the proposal builds a bridge to the upcoming [Digital Services Act](#) (DSA) by clarifying that, where this is provided by national law, competent authorities of the Member States will be able to issue orders in line with the DSA to act against illegal content that contravenes protection of geographical indications.

### **What are the benefits of this proposal for SMEs?**

The majority of craft and industrial GI holders are micro, small and medium sized enterprises and the proposal is designed taking into account the specific needs and challenges those companies face. The main benefit of this proposal for micro, small and medium sized enterprises is that they can protect their craft and industrial products in the whole EU, through a simple, two-phase procedure, at a moderate cost, with minimum administrative burden. The proposal also helps companies to internationalise their products. The proposal creates simple procedures to register and manage new GIs, not requiring at any stage of the procedure the involvement of legal representatives, and keeps the administrative burden for micro, small and medium sized enterprises to the minimum. The proposal provides for a fully digitalised EU application and registration procedure, which should also reduce the administrative burden, which is crucial for SMEs. The simplified enforcement regime foreseen in the proposal, including the self-declaration of compliance with the product specification will be beneficial for micro, small and medium sized enterprises.

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