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CJUE, C-490/19: the CJEU on the scope of protection of designations of origin where the shape of a protected product is reproduced

On 17 December 2020, the Court of Justice of the European Union ('CJEU') issued a decision in case C-490/19 on the interpretation of Article 13(1) of EU Regulation 1151/2012 on quality schemes for agricultural products and foodstuffs, which had repealed Article 13(1) of EC Regulation 510/2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs¹ ('Articles 13(1)').

Background of the case

Morbier is a French cheese named after the small village of Morbier in Franche-Comté which enjoys the status of protected designation of origin ('PDO') since the French decree of 22 December 2000 (the 'Decree') was adopted. Among other features, Morbier gets identified in the specification for the PDO because of its black layer made of vegetable carbon, which separates it horizontally in the middle².

The Decree provided i) a geographical reference area (the 'Area') and the conditions for entitlement to the designation of origin 'Morbier'; ii) a transitional period for undertakings situated outside that geographical area which had produced and marketed cheeses under the name 'Morbier' continuously, in order to enable them to continue to use that name without the indication PDO for a five-year period from the publication of the registration of Morbier as a PDO.

In accordance with the Decree, Société Fromagère du Livradois ('SFL'), situated outside the Area, was authorised to use the name Morbier, without the PDO indication, until July 2007. After that date, the name was replaced.

In 2013, the Syndicat interprofessionnel de défense du fromage Morbier (the 'Syndicat') brought an action before the Paris Regional Court, accusing SFL of infringing the PDO and committing acts of unfair and parasitic competition by producing and marketing a cheese which has the visual appearance of the Morbier, thus misleading the consumer as to the true origin of the product.

¹ Article 13(1) EU Regulation 1151/2012 provides that «Registered names shall be protected against: (a) any direct or indirect commercial use of a registered name in respect of products not covered by the registration where those products are comparable to the products registered under that name or where using the name exploits the reputation of the protected name, including when those products are used as an ingredient; (b) any misuse, imitation or evocation, even if the true origin of the products or services is indicated or if the protected name is translated or accompanied by an expression such as 'style', 'type', 'method', 'as produced in', 'imitation' or similar, including when those products are used as an ingredient; (c) any other false or misleading indication as to the provenance, origin, nature or essential qualities of the product that is used on the inner or outer packaging, advertising material or documents relating to the product concerned, and the packing of the product in a container liable to convey a false impression as to its origin; (d) any other practice liable to mislead the consumer as to the true origin of the product».

² "Its most distinctive feature is a horizontal black furrow through the middle".

The action was dismissed by judgment of 14 April 2016, which was upheld before the Paris Court of Appeal, which confirmed the first instance decision.

In particular, The Court of Appeal took the view that (i) the PDO legislation aims to protect the name of a product and not its appearance or features, therefore (ii) the marketing of a cheese which has one or more features contained in the specification for Morbier does not constitute misconduct, moreover (iii) in the present case SFL produces a cheese which differs to Morbier, as, *inter alia*, grape polyphenol replaces the vegetable carbon used and conferred only to Morbier.

The Syndicat resorted to the Supreme Court (the 'Referring Court'), arguing that a designation of origin is protected against any practice liable to mislead the consumer as to the true origin of the product.

In turn, SFL argued that the PDO protects products from a defined region but does not prohibit other producers from producing and marketing similar products, where they do not give the impression to be covered by the designation in question.

In those circumstances, the Referring Court decided to stay the proceedings to ask the CJEU whether Articles 13(1) must be interpreted as prohibiting solely the use by a third party of the registered name or as also prohibiting the presentation of a product protected by a designation of origin which is liable to mislead the consumer as to the true origin of the product, even if the registered name is not used.

The ruling of the CJEU

Preliminary, the CJEU explained that Article 13(1) contains a graduated list of prohibited conducts which are not limited to prohibiting the use of the registered name itself, having a wider scope. In particular, the Court noted that:

- i) Articles 13(1)(b) prohibit actions which, unlike those referred to in point (a), do not use directly or indirectly the protected name itself, but evoke it in such a way that it causes the consumer to establish a connection with that name;
- ii) As for the conducts referred to in Articles 13(1)(c), it should be noted that the expression "any other indication" includes information on the provenance, origin, nature or essential qualities of the contested product which may appear in any form on it, on advertising or on documents relating to such product;
- iii) As for the conducts referred to in Articles 13(1)(d), the words "any other practice" are intended to tighten the system of protection for registered names, covering any conduct not already covered by the previous provisions which may result in the consumer being misled as to the origin of the product in question.

In the light of the above, although, in principle, the protection provided for by Articles 13(1) concerns the registered name and not the product covered by that name, PDOs are protected as they designate a product that has certain qualities or characteristics. Thus, the PDO and the product covered by it are closely linked.

As a result, **the reproduction of the shape or appearance of a product covered by a registered name, without that name appearing either on the product in question or on its packaging, may fall within the scope of Articles 13(1) where that reproduction is liable to mislead the consumer as to the true origin of the product in question.** In order to determine whether that is so, one must (i) refer to the perception of the average European consumer, who is reasonably well informed and reasonably observant and circumspect, (ii) consider all the relevant factors of the case, including the way in which the products in question are presented to the public and marketed and the factual context.

In particular, as for an element of the appearance of the product covered by the registered name - as in the case in the main proceedings-, it is necessary to assess whether such element constitutes a distinctive characteristic of that product so that its reproduction may, coupled with all the relevant factors of the case at issue, lead the consumer to believe that the product containing such reproduction is a product covered by the registered name.

The CJEU thus concluded that Article 13(1)(d) *“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”*.