

**European Court of Justice, 25 June 2002, Bigi (Parmesan)**



**DESIGNATIONS OF ORIGIN**

**System of derogations**

- Thus, on a proper construction of Article 13(2) of Regulation No 2081/92, products are not covered by the system of derogations set up by Article 13(2) where they originate in the State of the PDO the protection of which under Article 13(1)(a) and (b) of Regulation No 2081/92 is at issue and they do not meet the product specification for that PDO.

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**European Court of Justice, 25 June 2002**

(G.C. Rodríguez Iglesias, P. Jann, F. Macken, N. Colneric and S. von Bahr, D.A.O. Edward, J.-P. Puissochet, V. Skouris and J.N. Cunha Rodrigues)

**JUDGMENT OF THE COURT**

25 June 2002 (1)

*(Regulation (EEC) No 2081/92 - Protection of geographical indications and designations of origin of agricultural products and foodstuffs - Article 13 - System of derogations - Scope)*

In Case C-66/00,

REFERENCE to the Court under Article 234 EC by the Tribunale di Parma (Italy) for a preliminary ruling in the criminal proceedings before that court against Dante Bigi,

third party:

Consorzio del Formaggio Parmigiano Reggiano, on the interpretation of Article 13 of Council Regulation (EEC) No 2081/92 of 14 July 1992 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs (OJ 1992 L 208, p. 1), as amended by Council Regulation (EC) No 535/97 of 17 March 1997 (OJ 1997 L 83, p. 3),

THE COURT,

composed of: G.C. Rodríguez Iglesias, President, P. Jann, F. Macken, N. Colneric and S. von Bahr (Presidents of Chambers), D.A.O. Edward (Rapporteur), J.-P.

Puissochet, V. Skouris and J.N. Cunha Rodrigues, Judges,

Advocate General: P. Léger,

Registrar: L. Hewlett, Administrator,

after considering the written observations submitted on behalf of:

- Mr Bigi, by G.G. Lasagni, avvocato,
- the Consorzio del Formaggio Parmigiano Reggiano, by F. Capelli, avvocato,
- the Italian Government, by U. Leanza, acting as Agent, and by O. Fiumara, avvocato dello Stato,
- the German Government, by W.-D. Plessing and B. Muttelsee-Schön, acting as Agents,
- the Greek Government, by I.K. Chalkias and C. Tsiavou, acting as Agents,
- the Austrian Government, by H. Dossi, acting as Agent,
- the Commission of the European Communities, by J.L. Iglesias Buhigues and P. Stancanelli, acting as Agents,

having regard to the Report for the Hearing,

after hearing the oral observations of Mr Bigi, represented by G.G. Lasagni; the Consorzio del Formaggio Parmigiano Reggiano, represented by F. Capelli; the Italian Government, represented by U. Leanza and O. Fiumara; the German Government, represented by W.-D. Plessing; the Greek Government, represented by G. Kanellopoulos, acting as Agent, and C. Tsiavou; the French Government, represented by C. Vasak and L. Bernheim, acting as Agents; the Portuguese Government, represented by L.I. Fernandes, acting as Agent; and the Commission, represented by J.L. Iglesias Buhigues and P. Stancanelli, at the hearing on 6 June 2001, after hearing the [Opinion of the Advocate General](#) at the sitting on 9 October 2001,

gives the following

**Judgment**

1. By order of 21 February 2000, received at the Court on 28 February 2000, the Tribunale di Parma referred to the Court for a preliminary ruling under Article 234 EC seven questions on the interpretation of Article 13 of Council Regulation (EEC) No 2081/92 of 14 July 1992 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs (OJ 1992 L 208, p. 1), as amended by Council Regulation (EC) No 535/97 of 17 March 1997 (OJ 1997 L 83, p. 3, hereinafter 'Regulation No 2081/92').

2. Those questions were raised in criminal proceedings instituted against Mr Bigi following a complaint from the Consorzio del Formaggio Parmigiano Reggiano (hereinafter 'the Consorzio'), in which he is charged with violating Italian laws on fraudulent trading, on the marketing of products bearing misleading marks or signs, and on the use of protected designations of origin (hereinafter 'PDOs')

**The legal context**

3. Regulation No 2081/92 establishes a system of Community protection of designations of origin and geographical indications for agricultural products and foodstuffs.

4. Article 3(1) of Regulation No 2081/92 provides:

'Names that have become generic may not be registered.

For the purposes of this regulation, a "name that has become generic" means the name of an agricultural product or a foodstuff which, although it relates to the place or the region where this product or foodstuff was originally produced or marketed, has become the common name of an agricultural product or a foodstuff.

...'

5. Article 4(1) of that regulation provides that '[t]o be eligible to use a protected designation of origin (PDO) or a protected geographical indication (PGI) an agricultural product or foodstuff must comply with a specification'. Paragraph 2 of that article lists the minimum particulars which are to be included in the product specifications.

6. Article 13(1) and (2) of Regulation No 2081/92 states:

'1. Registered names shall be protected against:

(a) any direct or indirect commercial use of a name registered in respect of products not covered by the registration in so far as those products are comparable to the products registered under that name or insofar as using the name exploits the reputation of the protected name;

(b) any misuse, imitation or evocation, even if the true origin of the product 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;

(c) any other false or misleading indication as to the provenance, origin, nature or essential qualities of the product, 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 public as to the true origin of the product.

Where a registered name contains within it the name of an agricultural product or foodstuff which is considered generic, the use of that generic name on the appropriate agricultural product or foodstuff shall not be considered to be contrary to (a) or (b) in the first subparagraph.

2. By way of derogation from paragraph 1(a) and (b), Member States may maintain national systems that permit the use of names registered under Article 17 for a period of not more than five years after the date of publication of registration, provided that:

- the products have been marketed legally using such names for at least five years before the date of publication of this Regulation,
- the undertakings have legally marketed the products concerned using those names continuously during the period referred to in the first indent,
- the labelling clearly indicates the true origin of the product.

However, this derogation may not lead to the marketing of products freely within the territory of a Member State where such names were prohibited.'

7. In addition to the normal registration procedure provided for in Articles 5 to 7, Regulation No 2081/92

establishes a simplified transitional procedure, set out in Article 17, which permits registration of designations of origin already protected under national law.

8. Article 17 of Regulation No 2081/92 thus provides:

1. Within six months of the entry into force of the Regulation, Member States shall inform the Commission which of their legally protected names or, in those Member States where there is no protection system, which of their names established by usage they wish to register pursuant to this Regulation.

2. In accordance with the procedure laid down in Article 15, the Commission shall register the names referred to in paragraph 1 which comply with Articles 2 and 4. Article 7 shall not apply. However, generic names shall not be added.

3. Member States may maintain national protection of the names communicated in accordance with paragraph 1 until such time as a decision on registration has been taken.'

9. Applying that simplified procedure, the Italian Republic informed the Commission that it wished to register, inter alia, the name 'Parmigiano Reggiano'. The Commission effected that registration by including that name in the list of PDOs in the Annex to Commission Regulation (EC) No 1107/96 of 12 June 1996 on the registration of geographical indications and designations of origin under the procedure laid down in Article 17 of Regulation No 2081/92 (OJ 1992 L 148, p. 1).

#### **The main proceedings**

10. Nuova Castelli SpA (hereinafter 'Castelli'), of which Mr Bigi is the person vested with legal representation, is a company which produces several types of cheese in Italy. As well as producing a cheese which conforms to the specification for the PDO 'Parmigiano Reggiano', it has, for some considerable time, produced a dried, grated pasteurised cheese in powder form, made from a mixture of several types of cheese of various origins, which does not comply with that specification and which may not therefore be sold in Italy. That second type of cheese, sold with a label bearing the word 'parmesan', is marketed exclusively outside Italy, inter alia in France.

11. On 11 November 1999, a quantity of that second type of cheese, packaged with that label bearing the word 'parmesan' and intended for export towards other Member States was seized at the premises of a distributor established in Parma. The seizure was made following a complaint by the Consorzio, a grouping of producers of cheese bearing the PDO 'Parmigiano Reggiano' which claimed damages in criminal proceedings brought against Mr Bigi in the Tribunale di Parma.

12. Mr Bigi is charged with fraudulent trading and selling industrial products with misleading indications by producing and marketing that cheese in those circumstances. Mr Bigi is also accused of having contravened the prohibition on using recognised designations of origin or typical designations, altering or partially modifying them by adding, even if indirectly, qualifying terms, such as 'type', 'purpose', 'taste' or similar expression.

13. In his defence, Mr Bigi relies on the provisions of Article 13(2) of Regulation No 2081/92 and contends that the Italian Republic is not entitled to prohibit producers established in Italy from manufacturing cheese which does not meet the requirements of the PDO 'Parmigiano Reggiano', where that cheese is intended to be exported for marketing in other Member States.

**The questions referred for a preliminary ruling**

14. Unsure of the correct interpretation of the Community legislation applicable, the Tribunale di Parma decided to stay proceedings and refer the following questions to the Court of Justice for a preliminary ruling:

'1. Must Article 13(2) of Regulation No 2081/92 (as amended by Article 1 of Regulation (EC) No 535/97) be interpreted as meaning that no official measure of a legislative or administrative nature need be adopted by the Member State concerned in order to allow the use on its territory of designations which may be confused with those registered under Article 17 of Regulation No 2081/92?

2. Therefore, in order to allow use of the designations referred to above in the territory of the Member State concerned, is it sufficient that there is no opposition by that Member State to such use?

3. Does the lack of any opposition by the Member State in whose territory the designation which is open to confusion with one registered under Article 17 of Regulation No 2081/92 is used render lawful the use of that designation by an undertaking whose registered office is in the territory of the Member State in which the designation was registered, if that undertaking uses the designation which is open to confusion only for products intended to be sold outside the country of registration and only within the territory of the Member State which is not opposed to use of the said designation?

4. Does the period of five years referred to in Article 13(2) of Regulation No 2081/92 for use of a name in relation to a product whose designation was registered on 12 June 1996 (see Regulation No 1107/96, cited above) expire on 12 June 2001?

5. Therefore, is an undertaking whose registered office is in a Member State at whose request a protected designation of origin (PDO) has been registered in accordance with Article 17 of Regulation No 2081/92, which has used a designation that is open to confusion with the one registered uninterruptedly over the five years prior to the entry into force of Regulation No 2081/92 (24 July 1993), entitled to use the same designation to distinguish products which are intended to be sold only outside the Member State of registration and only in the territory of a Member State which has not opposed the use of that designation in the said territory?

6. If Question 5 is answered in the affirmative, may the undertaking whose registered office is in the Member State of registration of the protected designation of origin legitimately describe its products by using the designation which is open to confusion with the one registered until the expiry of the fifth year following

the date of registration of the protected designation (12 June 1996), in other words until 12 June 2001?

7. As from the day following the date indicated in Question 6 above (12 June 2001), must the use of any designation open to confusion with the one registered in all the Member States by any operator who is not expressly authorised to use the registered designation within the meaning of Regulation (EEC) No 2081/92 be regarded as prohibited.'

**The admissibility of the questions referred for a preliminary ruling**

15. The German Government contends that the reference for a preliminary ruling is inadmissible on the ground that the answer to the questions referred is not necessary for the decision in the main proceedings. The designation 'parmesan' used by Mr Bigi is, it argues, a generic name and not a PDO within the meaning of Regulation No 2081/92.

16. The name 'parmesan' is generic because it has become, in general, a name which on its own refers to a grated cheese or cheese intended for grating. Thus, it is argued, 'parmesan' has 'become the common name of ... a foodstuff' within the meaning of Article 3(1) of Regulation No 2081/92. The German Government refers inter alia to point 35 of the Opinion of Advocate General Ruiz-Jarabo Colomer in Case C-317/95 *Canadane Cheese Trading and Kouri* [1997] ECR I-4681, concerning the generic nature of the name 'parmesan cheese'.

17. The German Government argues that, since only the name 'Parmigiano Reggiano' has been registered, Community protection is confined to that name and only covers that precise formulation of the name registered. It adds that, according to the case-law of the Court of Justice, the protection of each of the constituent parts of a compound designation can be envisaged only if they are not generic or common terms ([Joined Cases C-129/97 and C-130/97 Chiciak and Fol \[1998\] ECR I-3315, paragraph 37](#)).

18. It is settled case-law that, in the context of the co-operation between the Court of Justice and the national courts established by Article 234 EC, it is solely for the national court before which the dispute has been brought, and which must assume responsibility for the subsequent judicial decision, to determine in the light of the particular circumstances of the case both the need for a preliminary ruling in order to enable it to deliver judgment and the relevance of the questions which it submits to the Court. Consequently, where the questions submitted by the national court concern the interpretation of Community law, the Court of Justice is, in principle, bound to give a ruling (see, for example, Case C-415/93 *Bosman* [1995] ECR I-4921, paragraph 59).

19. However, the Court has also stated that, in exceptional circumstances, it can examine the conditions in which the case was referred to it by the national court, in order to assess whether it has jurisdiction. The Court may refuse to rule on a question referred for a preliminary ruling by a national court only where it is quite obvious that the interpretation of Community law that

is sought bears no relation to the actual facts of the main action or its purpose, where the problem is hypothetical, or where the Court does not have before it the factual or legal material necessary to give a useful answer to the questions submitted to it (see, for example, Case C-390/99 Canal Satélite Digital [2002] I-0000, paragraph 19).

20. However, in the present case it is far from clear that the designation 'parmesan' has become generic. It is contended by all the governments which have submitted written observations in this case, apart from the German Government and, to a certain extent, the Austrian Government, and by the Commission that the French designation 'parmesan' is the correct translation of the PDO 'Parmigiano Reggiano'.

21. Against that background it cannot be argued that it is clear that the questions raised by the referring court are covered by one of the situations listed in the case-law cited at paragraph 19 of this judgment. It follows that the reference for a preliminary ruling is admissible.

#### **The questions referred for a ruling**

22. The questions referred for a preliminary ruling concern certain aspects of the system of derogations established by Article 13(2) of Regulation No 2081/92.

23. The products at issue in the main proceedings originate in the Member State which obtained the registration of the PDO ('the State of the PDO'), without, however, meeting the PDO requirements. It is the protection conferred by such registration under Article 13(1)(a) and (b) of Regulation No 2081/92 that is at issue. Consequently, the first question is whether that system of derogations can be applied to such products.

24. The scope of that system of derogations must therefore be determined. Account should be taken not only of the wording of Article 13(2) of Regulation No 2081/92 but also of the purpose of that provision in the general scheme of the regulation.

25. According to its wording, Article 13(2) of Regulation No 2081/92 provides for a system of derogations implementation of which depends on the desire of the Member State concerned to maintain, within its national territory and for a limited period, its previous national system and requires certain conditions to be fulfilled. Those conditions essentially require that an undertaking wishing to rely on the system of derogations should have legally marketed the products at issue for a specified period under the name that has since been registered and that the labelling should clearly indicate their true origin.

26. The second subparagraph of Article 13(2) of Regulation No 2081/92 provides, further, that this exception may not lead to the marketing of such products freely on the territory of a Member State where that name was prohibited.

27. Thus, Article 13(2) of Regulation No 2081/92 implements one of the objectives of Regulation No 2081/92, namely that of not abolishing with immediate effect the option of using names registered under Article 17 of Regulation No 2081/92 for products which do not meet the specification of the PDO concerned. As the third recital in the preamble to Regulation No

535/97 indicates, the Community legislature considered it necessary to grant an adjustment period in order not to prejudice producers who had been using such names for a long time.

28. However, as that recital also makes clear, such a transitional period should apply only to names registered under Article 17 of that regulation, that is to say to names, such as that in issue here, which have been registered under the simplified procedure. That procedure presupposes, inter alia, that the name which a Member State seeks to register should be legally protected in that Member State or, in Member States where there is no system of protection, validated through use.

29. In other words, the simplified procedure presupposes that, at the time when a Member State applies to register a name as a PDO, products which do not comply with the specification for that name cannot be marketed legally on its territory.

30. Accordingly, Regulation No 2081/92 must be interpreted as meaning that, once a name has been registered as a PDO, the system of derogations provided for by Article 13(2) of Regulation No 2081/92, in order to allow the continued use of that name under certain conditions and within certain limits, applies only to products not originating in the State of the PDO.

31. As the Advocate General observed in points 71 to 79 of his Opinion, that interpretation of Article 13(2) of Regulation No 2081/92 is consistent with the objectives of consumer protection and fair competition set out in the sixth and seventh recitals in the preamble to Regulation No 2081/92.

32. Thus, on a proper construction of Article 13(2) of Regulation No 2081/92, products are not covered by the system of derogations set up by Article 13(2) where they originate in the State of the PDO the protection of which under Article 13(1)(a) and (b) of Regulation No 2081/92 is at issue and they do not meet the product specification for that PDO.

33. Accordingly, given that the system of derogations laid down by Article 13(2) of Regulation No 2081/92 does not apply to products such as those at issue here, there is no need to reply to the questions as put by the Tribunale di Parma.

34. In the light of those considerations, the answer to be given to the national court is that, on a proper construction of Article 13(2) of Regulation No 2081/92, products are not covered by the system of derogations set up by Article 13(2) where they originate in the State of the PDO the protection of which under Article 13(1)(a) and (b) of Regulation No 2081/92 is at issue and they do not meet the product specification for that PDO.

#### **Costs**

35. The costs incurred by the Italian, German, Greek, French, Austrian and Portuguese Governments and by the Commission, which have submitted observations to the Court, are not recoverable. Since these proceedings are, for the parties to the main proceedings, a step in the proceedings pending before the national court, the decision on costs is a matter for that court.

**On those grounds,**  
THE COURT,

in answer to the questions referred to it by the Tribunale di Parma by order of 21 February 2000, hereby rules:

On a proper construction of Article 13(2) of Council Regulation (EEC) No 2081/92 of 14 July 1992 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs, as amended by Council Regulation (EC) No 535/97 of 17 March 1997, products are not covered by the system of derogations set up by Article 13(2) where they originate in the State of the protected designation of origin the protection of which under Article 13(1)(a) and (b) of Regulation No 2081/92, as amended, is at issue and they do not meet the product specification for that protected designation of origin.

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OPINION OF ADVOCATE GENERAL  
LÉGER

delivered on 9 October 2001 (1)

Case C-66/00

Criminal proceedings

against

Dante Bigi

(Reference for a preliminary ruling from the Tribunale di Parma (District Court, Parma), Italy)

(Protected designations of origin - Council Regulation (EEC) No 2081/92 - Registration of names - Translation of protected name - 'Parmesan' - Commercial use of a registered name for products comparable to those registered - Exemptions - Scope)

1. Can a grated cheese be produced in Italy for marketing outside the country of registration under the label, 'parmesan' where its sale in Italy under that designation is forbidden because it does not conform to the specification of the protected designation of origin, (2) 'Parmigiano Reggiano'? If so, what conditions attach to such marketing outside Italy? These are, in essence, the questions referred for a preliminary ruling by the Tribunale di Parma (District Court, Parma), Italy.

2. To reply to the national court's questions the Court will have to define the circumstances in which the transitional system of exemptions provided for by Article 13(2) of Council Regulation (EEC) No 2081/92 (3) applies.

**I - Legal background**

3. The Regulation lays down a legal framework for the designation of origin and geographical indication of certain agricultural products and foodstuffs for which there is a link between the characteristics of the product or foodstuff and its geographical origin. (4) To this end, it provides for a system of registration at Community level of geographical indications and designations of origin. The registration obtained as a result of a procedure set out in the Regulation confers specific protection on the products registered. (5) However, the first paragraph of Article 3(1) of the Regulation lays down a general exemption, and Article 13(2) lays down

a temporary derogation from the system of protection laid down by the Regulation.

4. Although based on Article 37 EC, the purposes of the Regulation also include consumer protection and ensuring fair competition. (6)

5. According to Article 2(1) of the Regulation, 'Community protection of designations of origin ... of agricultural products and foodstuffs shall be obtained in accordance with this Regulation'.

6. Article 2(2) of the Regulation provides:

'...

(a) designation of origin: means the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff:

- originating in that region, specific place or country, and

- the quality or characteristics of which are essentially or exclusively due to a particular geographical environment with its inherent natural and human factors, and the production, processing and preparation of which take place in the defined geographical area'.

7. Under the first subparagraph of Article 3(1) of the Regulation, 'names that have become generic' may not be registered.

8. The second, third and fourth subparagraphs of Article 3(1) of the Regulation define what is meant by 'generic name'.

9. Articles 4 to 7 and 17 of the Regulation define the procedures for registration of designations of origin.

10. Articles 4 to 7 of the Regulation set out what is commonly known as the "normal" procedure' in contrast to that set out under Article 17, known as the "simplified" procedure', which concerns the registration of names already existing at the date of coming into force of the Regulation. The 'simplified' procedure is the one followed in the present case. (7)

11. Article 17 of the Regulation provides as follows:

'1. Within six months of the entry into force of the Regulation, Member States shall inform the Commission which of their legally protected names or, in those Member States where there is no protection system, which of their names established by usage they wish to register pursuant to this Regulation.

2. In accordance with the procedure laid down in Article 15, (8) the Commission shall register the names referred to in paragraph 1 which comply with Articles 2 and 4. Article 7 shall not apply. (9) However, generic names shall not be added.

3. Member States may maintain national protection of the names communicated in accordance with paragraph 1 until such time as a decision on registration has been taken.'

12. Registration confers a Community system of protection on PDOs. Article 13(1) and (3) of the Regulation provides as follows:

'1. Registered names shall be protected against:

(a) any direct or indirect commercial use of a name registered in respect of products not covered by the registration in so far as those products are comparable to the products registered under that name or in so far as

using the name exploits the reputation of the protected name;

(b) any misuse, imitation or evocation, even if the true origin of the product 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;

(c) any other false or misleading indication as to the provenance, origin, nature or essential qualities of the product, 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 public as to the true origin of the product.

Where a registered name contains within it the name of an agricultural product or foodstuff which is considered generic, the use of that generic name on the appropriate agricultural product or foodstuff shall not be considered to be contrary to (a) or (b) in the first subparagraph.

...

3. Protected names may not become generic'.

13. Article 13(2) of the Regulation adds, however, that: '2. By way of derogation from paragraph 1(a) and (b), Member States may maintain national systems that permit the use of names registered under Article 17 for a period of not more than five years after the date of publication of registration, provided that:

- the products have been marketed legally using such names for at least five years before the date of publication of this Regulation,
- the undertakings have legally marketed the products concerned using those names continuously during the period referred to in the first indent,
- the labelling clearly indicates the true origin of the product.

However, this derogation may not lead to the marketing of products freely within the territory of a Member State where such names were prohibited.'

14. The Italian Republic applied for registration of the designation 'Parmigiano Reggiano' under Article 17 of the Regulation. The Commission added that designation to the list of PDOs in the Annex to Regulation (EC) No 1107/96. (10)

## II - Factual and procedural background

15. It appears from the documents in the case file (11) that Nuova Castelli SpA of Reggio Emilia, (12) of which Mr Bigi is the person vested with legal representation, has produced in Italy for some time a dried, grated, pasteurised cheese in powder form, made using a mixture of several types of cheese of various origins, intended to be marketed exclusively outside Italy, and in particular in France. That cheese is sold with a label bearing the name 'parmesan', although it does not contain any cheese from the Community PDO, 'Parmigiano Reggiano'.

16. At the hearing Mr Bigi's counsel explained that Castelli has several production plants, all in Italy. Some of these plants produce a cheese which conforms to the specification for the 'Parmigiano Reggiano' PDO, and which is intended to be marketed in Italy, whilst others

produce the cheese labelled 'parmesan', which does not conform to that specification. However the latter cheese is intended exclusively for sale abroad, particularly in France. It was also explained that Castelli also has an establishment in France which merely imports the cheese made in Italy.

17. On 11 November 1999 a quantity of cheese produced by Castelli under the 'parmesan' label, and intended for export to other Member States was seized at the premises of an exporter in Parma. This seizure was carried out on the initiative of the Consorzio, which is a grouping of producers of cheese bearing the designation 'Parmigiano Reggiano'. The Consorzio claimed damages in criminal proceedings brought against Mr Bigi in the Tribunale di Parma.

18. Mr Bigi is charged with having produced and marketed in packages of 40 grammes each, for sale on the European market and in particular in France, dried grated cheese prepared using a mixture of diverse types of cheese, pasteurised and in powder form, from various sources, using on the label the description 'parmesan', such conduct amounting to fraudulent trading, by selling industrial products with misleading indications. He is also accused of having contravened the prohibition of using 'designations of origin and recognised typical designations, altering or partially modifying them by adding, even if indirectly, qualifying terms, such as type, purpose, taste or the like'. (13) Such conduct is contrary to Articles 515 and 517 of the Italian Penal Code, and Articles 9 and 10 of Law No 125 of 10 April 1954. (14)

19. In his defence, Mr Bigi invokes Article 13(2) of the Regulation. He contends that that article denies the Italian Republic the right to prohibit producers established in Italy from manufacturing cheese described as 'parmesan' which does not meet the requirements of the PDO 'Parmigiano Reggiano', where that cheese is intended to be exported for marketing in other Member States.

20. Unsure of the interpretation to be given to the provisions of that article, and to enable it to determine the proceedings before it, the national court therefore asks the Court to give a preliminary ruling on the following seven questions:

'1. Must Article 13(2) of Regulation No 2081/92 (as amended by Article 1 of Regulation (EC) No 535/97) be interpreted as meaning that no official measure of a legislative or administrative nature need be adopted by the Member State concerned in order to allow the use on its territory of designations which may be confused with those registered under Article 17 of Regulation No 2081/92?

2. Therefore, in order to allow use of the designations referred to above in the territory of the Member State concerned, is it sufficient that there is no opposition by that Member State to such use?

3. Does the lack of any opposition by the Member State in whose territory the designation which is open to confusion with one registered under Article 17 of Regulation No 2081/92 is used render lawful the use of that designation by an undertaking whose registered

office is in the territory of the Member State in which the designation was registered, if that undertaking uses the designation which is open to confusion only for products intended to be sold outside the country of registration and only within the territory of the Member State which is not opposed to use of the said designation?

4. Does the period of five years referred to in Article 13(2) of Regulation No 2081/92 for use of a name in relation to a product whose designation was registered on 12 June 1996 (see Regulation No 1107/96, cited above) expire on 12 June 2001?

5. Therefore, is an undertaking whose registered office is in a Member State at whose request a protected designation of origin has been registered in accordance with Article 17 of Regulation No 2081/92 (24 July 1993), which has used a designation that is open to confusion with the one registered uninterruptedly over the five years prior to the entry into force of Regulation No 2081/92 entitled to use the same designation to distinguish products which are intended to be sold only outside the Member State of registration and only in the territory of a Member State which has not opposed the use of that designation in the said territory?

6. If Question 5 is answered in the affirmative, may the undertaking whose registered office is in the Member State of registration of the protected designation of origin (PDO) legitimately describe his products by using the designation which is open to confusion with the one registered until the expiry of the fifth year following the date of registration of the protected designation (12 June 1996), in other words until 12 June 2001?

7. As from the day following the date indicated in Question 6 above (12 June 2001), must the use of any designation open to confusion with the one registered in all the Member States by any operator who is not expressly authorised to use the registered designation within the meaning of Regulation No 2081/92 be regarded as prohibited.‘

### **III - The admissibility of the questions referred for preliminary ruling**

#### **A - The plea of inadmissibility raised by the German Government**

21. The German Government considers that the outcome of the main proceedings does not depend on the reply to be given to those questions because the name 'parmesan' is a 'generic name' which does not fall within the scope of the protection provided by Article 13 of the Regulation. Consequently, it asks that the Court declare the request of the national court inadmissible by reason of its lack of relevance and its general and hypothetical nature. (15)

22. The Court has consistently held that, 'in the context of the cooperation between the Court of Justice and the national courts provided for by Article 177 of the Treaty it is solely for the national court before which the dispute has been brought, and which must assume responsibility for the subsequent judicial decision, to determine in the light of the particular circumstances of the case both the need for a preliminary ruling in order to enable it to deliver judgment and the relevance of the

questions which it submits to the Court. Consequently, where the questions submitted by the national court concern the interpretation of Community law, the Court of Justice is, in principle, bound to give a ruling'. (16)

23. 'Nevertheless, the Court has also stated that, in exceptional circumstances, it can examine the conditions in which the case was referred to it by the national court, in order to assess whether it has jurisdiction ... . The Court may refuse to rule on a question referred for a preliminary ruling by a national court only where it is quite obvious that the interpretation of Community law that is sought bears no relation to the actual facts of the main action or its purpose, where the problem is hypothetical, or where the Court does not have before it the factual or legal material necessary to give a useful answer to the questions submitted to it ...'. (17)

24. The questions referred by the national court concern the interpretation of Community law. That court has asked the Court of Justice to define the scope of Article 13(2) of the Regulation. The Court of Justice is, therefore, in principle bound to give a ruling on them.

25. Similarly it is not quite obvious that the dispute is hypothetical, or that the Court does not have before it the factual or legal material necessary to give a useful answer to the questions submitted. The main proceedings essentially concern the legality or otherwise of the use of the name 'parmesan' for the production, with a view to marketing outside Italy, of a product which does not possess the characteristics of the PDO 'Parmigiano Reggiano'.

26. It further follows from 'established case-law that, in the procedure laid down by Article [234 EC] providing for cooperation between national courts and the Court of Justice, it is for the latter to provide the referring court with an answer which will be of use to it and enable it to determine the case before it'. (18)

'With this in mind, the Court of Justice may have to reformulate the questions referred to it or to examine whether a question relating [in particular] to the validity of a provision of Community law is based on a correct reading of the provision in question'. (19)

27. If the objection raised by the German Government were no more than a criticism of the national court for not having correctly applied Community law in not treating the name 'parmesan' as a 'generic name', the plea of inadmissibility would not be founded since the application of Community law to the facts of the case falls within the exclusive jurisdiction of the national court. (20)

28. However, in raising that objection the German Government also challenges the national court's interpretation of the provisions of the regulation defining the terms 'generic name' and 'PDO' and, in so doing, the relevance of the questions referred for a preliminary ruling - which are the result of that misinterpretation.

The German Government considers that, because the name 'parmesan' has not been registered, it does not come within the scope of the protection that Article 13(1) of the Regulation confers on the PDO 'Parmigiano Reggiano'. It further considers that, under the

provisions of Article 3(1) of the Regulation, the name 'parmesan' can no longer be registered because it has become generic. Since the questions submitted exclusively concern the interpretation of the provisions of the Regulation as to the protection attaching to PDOs, it therefore considers that they are based on a misinterpretation of Community law and that they are not relevant to the outcome of the dispute. Consequently, the German Government asks the Court to confirm its reading of the Regulation, and to declare the questions inadmissible.

29. It is indisputable that the questions submitted by the national court are neither general nor hypothetical. It follows that the German Government's plea of inadmissibility is unfounded.

30. Nevertheless, it is equally clear that the questions would obviously be unnecessary for the determination of the main proceedings if the name 'parmesan' did not fall within the scope of the protection that Article 13(1) of the Regulation confers on the PDO 'Parmigiano Reggiano'. The Court cannot therefore determine the admissibility of the reference for a preliminary ruling unless it is first satisfied that the national court has correctly interpreted Article 13(1) of the Regulation. It is thus necessary to determine the extent of the protection that the Regulation confers on a composite name such as 'Parmigiano Reggiano'.

#### **B - Terms of the preliminary question**

31. The first question of interpretation that falls to be answered is whether the Regulation should be interpreted as meaning that, in the circumstances of the present case, the contested name 'parmesan' may come within the scope of Article 13(1) of the Regulation. If the answer is in the affirmative, it would follow under the terms of Article 13(3) of the Regulation, that it can no longer become generic. The questions referred for a preliminary ruling would therefore have to be addressed. In such a case the conduct of Mr Bigi, which is unlawful under Article 13(1) of the Regulation, might be permitted in the light of the derogation provided for by Article 13(2) of the Regulation.

32. If the answer is in the negative, the questions referred for a preliminary ruling should be declared inadmissible without having to consider whether the name 'parmesan' is generic or not. Contrary to the submission of the German Government, given the legal and factual background set out by the national court, the assessment of whether that name is generic or not would be clearly irrelevant both in determining the merits of that Government's plea of inadmissibility and for the national court's resolution of the main proceedings.

33. If the name 'parmesan' were held to be generic, it could not be protected under Article 13(1) of the Regulation, and could therefore be used throughout the Community. (21) The proceedings brought against Mr Bigi would therefore have to be abandoned.

34. If the name 'parmesan' were held not to be generic, the Italian Republic would be entitled to apply for registration under the Regulation. (22) However, even if that Member State were to obtain registration of that

name as a PDO, the offences with which Mr Bigi is charged could not be any more extensive: under the principle that criminal laws cannot be applied retrospectively, the proceedings against the accused could not be decided in the light of a law that was not yet in force at the time the offence with which he is charged was committed.

35. It is true that the question whether that name is generic or not is of interest to cheese producers marketing cheese under the label 'parmesan' which does not comply with the specification for the PDO 'Parmigiano Reggiano'. Under the second subparagraph of Article 3(1) of the Regulation, where a generic name has become the common name of an agricultural product or foodstuff it cannot be protected under the Regulation, and that name may be used throughout the Community. Similarly, the question may be of interest to the Italian Republic. Under the first subparagraph of Article 3(1) of the Regulation, a generic name may not be registered. A decision as to whether the name 'parmesan' is generic or not would enable the Italian Government to be immediately informed of the success or failure of an application for registration of that name.

36. However, in light of the factual and legal background supplied by the national court, the situations described above are purely hypothetical.

37. Furthermore, it is not for the Court to carry out an assessment of whether the name is generic or not, but only to interpret the provisions of the Regulation and to define the criteria to be taken into account in carrying out that assessment.

38. In the judgment in *Denmark and Others v Commission*, (23) the Court stated that 'Article 3(1) of the ... Regulation expressly requires that, in order to determine whether a name has become generic, account is to be taken [by the Commission] of all factors, including always those expressly listed, namely the existing situation in the Member State in which the name originates and in areas of consumption, the existing situation in other Member States and the relevant national or Community laws'. (24)

39. It is for the Commission to determine whether a name is generic or not under the Regulation, and it will do so in accordance with the procedure specifically defined by the Regulation, (25) after canvassing informed opinion (26) and taking into account all the evidence supporting both sides of the argument.

40. Since the assessment of whether a name is generic in terms of the Regulation falls within the remit of the Commission, (27) I take the view that it is not for the Court to take on the task of the Commission on that question. The role of the Court consists simply in reviewing the legality of decisions adopted by the Commission (or the Council) (28) on the subject, in accordance with Article 230 EC.

41. Moreover, it is quite clear that, in the present case, the Court does not have all the information that would usefully enable it to determine whether the name 'parmesan' is generic or not. The information supplied by a minority of Member States in response to the written question on this point put to the parties and other par-

ticipants prior to the hearing is, in this respect, clearly insufficient. The third subparagraph of Article 3(1) of the Regulation sets out the cumulative criteria which must be taken into account in determining whether a name has become generic, but in this case, the intervening States have supplied incomplete information relating to those criteria and, furthermore, too few Member States have intervened.

42. It follows from the foregoing that I propose that the Court confine its initial assessment to the question whether the Regulation is to be interpreted as meaning that, in a case such as the present, the contested name 'parmesan' falls within the scope of the protection that Article 13(1) of the Regulation confers on PDOs.

### **C - Reply to the preliminary question**

43. It is not in dispute that the name 'Parmigiano Reggiano' is registered and benefits from the protection conferred on PDOs by Article 13(1) and (3) of the Regulation.

44. Under that article, the name 'Parmigiano Reggiano' is, inter alia, protected against any commercial use in respect of products not covered by the registration in so far as using that name exploits the reputation of the cheese 'Parmigiano Reggiano'. Furthermore, any misuse, imitation or evocation of that registered name, or of its translation, to designate a product not covered by registration is prohibited. In other words, in accordance with the combined provisions of the first subparagraph of Article 13(1)(a) and (b) of the Regulation, the designation of origin 'Parmigiano Reggiano' prohibits the commercial use of that name and its translation to designate products that do not comply with the specification of the product covered by registration.

45. The preliminary question identified above consists therefore in determining whether the term 'parmesan' must be regarded as the translation of the composite name 'Parmigiano Reggiano', which is registered.

46. According to the national court the answer to that question is necessarily in the affirmative in that the noun 'parmesan' is the literal translation of the name 'Parmigiano Reggiano'. It concludes from this that the system of protection that the Regulation confers on the PDO 'Parmigiano Reggiano' extends to the name 'parmesan'. (29)

47. That analysis is endorsed by the Italian, Greek, Portuguese and French Governments, as well as by the Commission and the parties in the main proceedings.

48. The German and Austrian Governments dispute this assessment. In their view, the term 'parmesan' cannot be regarded as the translation of the PDO 'Parmigiano Reggiano', but has an independent meaning and is used as the general name for the product. By 'parmesan', German and Austrian consumers mean a cheese that is grated, or intended to be grated, and used as a garnish for certain dishes. 'Parmesan' does not call to mind the name of a cheese originating from the Parma region, or more generally, from Italy. Rather, by 'Parmigiano Reggiano', German consumers mean a type of 'parmesan' of a particular quality, made in Italy, having an aromatic taste varying from strong to pungent, and requiring a certain time to mature (at least 12 months).

49. It is not in dispute that the noun 'parmesan' is the literal translation in several languages - in particular in German, English and French - of the Italian term 'Parmigiano', on its own. Furthermore, for the majority of the intervening governments, with the exception of the German and Austrian Governments, it alone denotes, in translation, the composite designation of origin 'Parmigiano Reggiano'.

50. I also take the view that the noun 'parmesan' is the composite name 'Parmigiano Reggiano' in translation. In my opinion it is more than the literal translation of that registered name; the word 'parmesan' is its faithful translation, in that it expresses the historic, cultural, legal and economic reality that attaches to the registered name and to the product covered by that registration.

51. Citing various sources, (30) the French Government points out the absolute equivalence of the terms 'parmesan' and 'Parmigiano Reggiano'. According to that government, historical research carried out into 'parmesan' and 'Parmigiano Reggiano' shows that those products are interchangeable. Tracing the history of that cheese and referring to the thesis of L. Malagoli, already cited, the French Government points out that the word 'Parmigiano' is, first and foremost, simply an adjective deriving from the town of Parma, in Emilia-Romagna. Originally the term 'parmesan' or 'Parmigiano' was also used to refer to the inhabitants of that town as well as to designate any goods produced there. From the 16th century, however, the word 'Parmigiano' was associated in various texts with the latin word *caseus* (cheese). Since the cheese has increased in renown, the adjective indicating its provenance has been sufficient to call it to mind unequivocally, and has been used by itself.

52. The noun 'Parmigiano' does not merely express the notion of belonging to the geographical region around the town of Parma, but denotes the region of production of origin of the cheese 'parmesan'. The use of the term 'Parmigiano' immediately conjures up in the mind of the European consumer the cheese produced in that region of Italy and not an inhabitant of that Italian town. (31) In other words, the noun 'Parmigiano' is inseparable from the particular food that is the cheese manufactured in a specific Italian geographical region. On the other hand, the term 'Reggiano' (32) does not call to mind a particular agricultural product or foodstuff. The use of that term in isolation and dissociated from the term 'Parmigiano' is not therefore likely to lead the European consumer to confuse it with the product covered by registration, namely the cheese 'Parmigiano'. Similarly, use of the expression 'Reggiano' by itself does not enable the user to exploit the reputation attaching to the protected product, 'Parmigiano'. In other words, the term 'Parmigiano' is the essential component of the PDO 'Parmigiano Reggiano'.

53. The Italian Government and the Consorzio explained why the Italian Republic applied to register the composite name 'Parmigiano Reggiano' - and not simply the designation 'Parmigiano'. Its origin lies in the historical and cultural context described above and in

the national economic reality. The cheese with the designation of origin, 'Parmigiano' is not only made in the town of Parma and its surroundings, but also in a wider geographical area, namely 'Reggio nell'Emilia'. The Italian Government therefore applied to register that composite name, 'Parmigiano Reggiano', so as to enable all those producers of parmesan operating in the geographical production area of that cheese to obtain the legal protection that the Regulation confers on PDOs. By that registration, the Italian Republic therefore intended to draw the legal inferences from a national economic and cultural reality. In doing so it obtained legal protection for the producers of parmesan operating in the geographical area of production of the cheese in question which, of course, includes the town of Parma and its surroundings and the town of Reggio nell'Emilia and its surroundings. The interchangeability or equivalence of the names 'Parmigiano' or 'parmesan' (33) and 'Parmigiano Reggiano' is the reason why the Italian Government applied for the registration of that 'composite' name alone. In other words, the application to register those two names separately was not contemplated because it would have meant that the protection of two different products was being sought, whilst in the present case it refers to one and the same product originating from a specific region in Italy.

54. The designation of origin 'Parmigiano Reggiano' therefore refers to parmesan, the characteristic cheese, originating in a particular place (the town of Parma and its surroundings) and in that particular region (Emilia-Romagna). It is thus a product, the quality or characteristics of which are essentially or exclusively due to the particular geographical environment with its inherent natural and human factors, and the production, processing and preparation of which take place in the defined geographical area.

55. It follows from the foregoing that the names 'parmesan' and 'Parmigiano Reggiano' are equivalent. Consequently, I consider that in a case such as the present, the first paragraph of Article 13(1)(a) and (b) of the Regulation is to be interpreted as meaning that the protection attaching to the PDO 'Parmigiano Reggiano' extends to its translation 'parmesan'. According to Article 13(3) of the Regulation, that name may not become generic. Accordingly, I invite the Court to reject the plea of inadmissibility raised by the German Government.

#### **IV - The content of the questions submitted by the national court**

56. It appears from the grounds of the order for reference that the national court is concerned about the compatibility of certain provisions of its domestic law with Article 13(2) of the Regulation. (34)

57. The national court explains that the commercial use of the name 'parmesan' has been subject to strict rules in Italy for a number of years. Italian law thus prohibits the free marketing in its territory of cheese under the 'parmesan' name where that product does not comply with the specification for the registered PDO. Any infringement of that rule is subject to criminal sanctions laid down by the Italian law of 1954. (35)

Italian law further prohibits the production, by producers and undertakings established in Italy, of parmesan that does not comply with the specification of the registered PDO even if the product in question is intended to be marketed in Member States which could take advantage of Article 13(2) of the Regulation. The national court is concerned about the compatibility of that particular provision of Italian law with the system of exemptions established by Article 13(2).

58. It appears from the grounds of the order for reference and from the wording of part of the third and fifth questions that the national court wishes to know, primarily, (36) whether Article 13(2) of the Regulation is to be interpreted as meaning that a Member State, which applied for and obtained the registration of a PDO, may prohibit the commercial use of that designation when applied to a product not covered by registration, but which is comparable to the product registered under that name, on the grounds that it is produced in the territory of the Member State of registration, whilst the product in issue is intended for export to, and marketing in the territory of another Member State where that designation may be considered lawful by application of Article 13(2). (37)

59. If the answer to this first question is in the negative, the national court, by its seven questions, asks the Court to define the necessary conditions for application of the system of exemptions.

60. Since a negative response to the first question would affect the assessment of the other questions submitted by the national court, it is necessary to look at that question first.

#### **V - Answers to the questions submitted by the national court**

61. The answer to the first question requires the definition of the substantive scope of the system of exemptions established by Article 13(2) of the Regulation.

62. The second indent of the first paragraph of Article 13(2) provides that the system of exemptions only applies to 'undertakings [who have] legally marketed the products concerned ...'.

63. The purpose of Article 13(2) of the Regulation, according to the third recital of the preamble to Regulation No 535/97 is, '...with regard to existing names already used in the Member States ...', '... not [to] prejudice producers ...' and to grant those producers an 'adjustment period'.

64. There are two possible interpretations of those provisions.

65. The first lies in taking the term 'producers' in the third recital of Regulation No 535/97, and 'undertaking' in the second indent of the first subparagraph of Article 13(2) of the Regulation to mean only those operators established in the territory of Member States who maintain national systems permitting the use of names registered under Article 17 of the Regulation to refer to comparable products that are not covered by that registration. Operators established in the territory of the Member State of registration are thus excluded from the scope of the system of exemptions. That interpreta-

tion is restrictive in that it confines the scope of the system of exemptions to certain strictly defined producers or undertakings. On that view, an undertaking such as Castelli, established in Italy, the Member State of registration of the PDO in issue, may be prevented from making, in Italy, parmesan that does not meet the requirements of the PDO even if that cheese is intended for export.

66. The second interpretation lies in taking the terms 'undertaking' or 'producer' to mean any operator, whether or not established in the territory of the Member State of registration, who markets products not covered by registration under a registered name, provided that those products are intended to be marketed in the territory of a Member State which maintains a national system permitting the use of registered names under Article 17 of the Regulation to refer to comparable products not covered by that registration. That is the 'wide' interpretation. On that view, an undertaking such as Castelli, established in Italy, the Member State of registration of the PDO in issue, could not be prevented from making, in Italy, parmesan that does not meet the requirements of the PDO, even if that cheese is intended for export.

67. In my view, given the purpose of Article 13(2), its general wording, the purpose of the Regulation and, finally, the provisions of Article 3(1) of the Regulation, the correct interpretation is the restrictive one.

68. In the terms of the third recital to the preamble of Regulation No 535/97, the purpose of Article 13(2) of the Regulation is that the 'granting of this adjustment period should not prejudice producers'.

69. Only those operators established in a Member State that maintains a national system permitting the use of registered names under Article 17 of the Regulation to refer to comparable products not covered by that registration are required to adapt their operations, in particular to modify their production units, so as to comply with the Community rules protecting PDOs. By contrast, those operators established in a Member State that has applied for registration under Article 17 of the Regulation have already had to adapt their operations to meet those legal requirements. (38) This is because Article 17 expressly provides that only those Member States who have established a protection system for names they wish to register may obtain such registration under that article. The domestic law of the Member State of registration therefore prohibited the manufacture and marketing under a protected name of products not covered by registration. In other words, the domestic legal order of that State, even before the adoption of the Regulation, carried specific consequences for the exercise of their operations. It is therefore unnecessary to grant an 'adjustment period' to such economic units.

70. The strict interpretation proposed of the terms 'producers' and 'undertakings' therefore complies with the objective of Article 13(2) of the Regulation.

71. That strict interpretation also respects both the purposes of the Regulation, which consist, inter alia, in ensuring consumer protection and fair competition,

(39) and the wording of the third indent of the first paragraph of Article 13(2) of the Regulation. (40)

72. The third indent of the first subparagraph of Article 13(2) of the Regulation provides that, by way of derogation, the use of registered names to market products that do not comply with the specification of the product covered by registration, is subject to the condition that 'the labelling clearly indicates the true origin of the product'.

73. It appears from those provisions that the application of the system of exemptions must, in any event, allow consumers to be informed as to the geographical origin of the product. It is necessary to ensure that they are not misled as to the quality they are entitled to expect from a product marketed under a name designating a PDO - which therefore indicates a specific place or region - although it has not been produced, processed or prepared in the geographical area of the PDO and does not correspond to the particular characteristics of the product covered by registration.

74. I will illustrate my argument by way of an example. During the transitional period of exemption, operators who lawfully market cheese under the designation 'parmesan' in Britain would be permitted to carry on that activity provided that they show that the cheese originates in the United Kingdom. (41) Any confusion with parmesan, made in Italy and covered by registration, would therefore be impossible, or made more difficult, for the British consumer.

75. If the 'wide' interpretation were upheld, it would not be possible to ensure proper consumer protection.

76. To return to the above example, under the 'wide' interpretation, an undertaking such as Castelli would be permitted to sell to the United Kingdom under the 'parmesan' label, cheese that did not comply with the specification of the registered PDO, if the requirements of Article 13(2) were met. (42) In particular, under the third indent of the first subparagraph of that provision, the labelling of the product thus marketed must 'clearly indicate the true origin of the product'. Since the product was made in Parma, an undertaking such as Castelli would comply with the requirements of the text by stating that fact on the label.

Thus, while respecting the provisions of the Regulation, the marketing of that cheese by an undertaking such as Castelli would mislead the reasonably informed consumer as to the nature of the product he was buying. That confusion stems from the fact that the product marketed in the United Kingdom by an undertaking such as Castelli would appear to be the product covered by registration, but would not correspond to the PDO for that product. Indeed it would be reasonable to believe that a parmesan labelled 'made in the United Kingdom' and a parmesan labelled 'made in Parma' were two different types of cheese, though that would not be the case. (43) That appearance would therefore facilitate the legitimate mistake of the British consumer as to the type of parmesan he was buying. (44) Accordingly, consumer protection, a purpose clearly sought by the Regulation, would not be ensured.

77. Application of the system of exemptions must also ensure fair competition between the different economic operators.

78. The wide interpretation of the terms 'producers' and 'undertakings' would not enable this objective to be achieved either.

79. I will return to the above example to illustrate my argument. Under the 'wide' interpretation, an undertaking such as Castelli would be permitted to place on the British market a product not covered by registration, under the registered name. However, the fact that that cheese was made in the State of registration would be such as to create, to its advantage, conditions of unfair competition on the British market to the detriment of its various competitors, such as producers of the product covered by registration (45) and producers of British parmesan. (46)

As between a parmesan made in Italy (47) and a parmesan made in the United Kingdom, the prices of which are probably equivalent, the reasonably informed consumer would be tempted to buy the cheese originating in Italy, assuming, from the label, that it corresponded to the PDO. Those undertakings would therefore unfairly exploit the reputation of the PDO to compete with the producers of a product made in the United Kingdom that was, after all, equivalent. (48)

Similarly, as between a product covered by registration and one that is not, but which is comparable to a registered product, the British consumer would also be tempted to buy the cheese that resembled the PDO because its price would probably be lower than the one at which the product covered by registration is sold. There again, those undertakings such as Castelli would unduly exploit the reputation of the PDO and, because they could achieve sales at a lower price, would unfairly compete with undertakings that manufacture a product that complies with the specification of the PDO. Furthermore, the practice of some undertakings, such as the undertaking in question in the main proceedings, would risk harming the brand image of the PDO registered in the Community market.

80. The strict interpretation would also give those Member States who wished to obtain registration of a name as a PDO the best opportunity to defend their claim against those States who contended that the name in question had become generic.

81. Indeed, under Article 3(1) of the Regulation, the criteria which must be taken into consideration in establishing whether or not a name has become generic include 'the existing situation in the Member State in which the name originates ...'. (49)

82. It follows from this text that the legal status that that Member State, in this case, the Italian Republic, bestows on a name such as 'parmesan' is to be treated in the same way as the other factors listed in Article 3(1) to establish whether the name has become generic. (50)

83. In the present case, the Italian legal system prohibits the manufacture in Italy of parmesan that does not comply with the specification of the PDO 'Parmigiano Reggiano'. In doing so the Italian Republic clearly and

unequivocally demonstrates the status which this name has in its domestic legal system. In other words, it shows that, in Italy, that name is protected and it cannot be used there to refer to a cheese that does not comply with the specification of the registered PDO. Therefore it cannot become generic.

84. Finally, in accordance with the Court's settled case-law, (51) any derogation from a principle must be strictly interpreted. Since the scheme of Article 13(2) of the Regulation derogates (52) from the principle of protection of PDOs laid down by Article 13(1), it should therefore be strictly interpreted.

85. It follows from the foregoing that only the strict interpretation of Article 13(2) of the Regulation that I am proposing to the Court complies with the wording of that article, with its purpose, and with those of the Regulation as regards consumer protection and fair competition between economic operators. The provisions of Article 13(2) of the Regulation must therefore be interpreted as meaning that they do not apply in a case such as the present. In other words, since Castelli is established in the territory of the Member State of registration of the PDO in question in the main proceedings it is, on that ground, excluded from the material scope of Article 13(2) of the Regulation.

86. Consequently, I propose that the Court reply to the first question as follows: Article 13(2) of the Regulation must be interpreted as allowing a Member State, on whose application a PDO was registered, to prohibit the commercial use of that designation when applied to a product not covered by the registration, but comparable to the product registered under that name, on the ground that it is made in the territory of the Member State of registration, even if the product in question is intended to be marketed exclusively in the territory of another Member State where that designation might be found to be lawful by application of Article 13(2).

87. Having regard to the reply given to that first question, the other questions do not call for a reply.

#### **Conclusion**

88. In those circumstances, and for the reasons set out above, I propose that the Court give the following reply to the questions submitted by the Parma District Court: Article 13(2) of Council Regulation (EEC) No 2081/92 of 14 July 1992 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs, as amended by Council Regulation (EC) No 535/97 of 17 March 1997 must be interpreted as allowing a Member State, on whose application a PDO was registered, to prohibit the commercial use of that designation when applied to a product not covered by the registration, but comparable to the product registered under that name, on the ground that it is made in the territory of the Member State of registration, even if the product in question is intended to be marketed exclusively in the territory of another Member State where that designation might be found to be lawful by application of Article 13(2) of that Regulation.

- 1: - Original language: French.
- 2: - Hereinafter 'PDO'.
- 3: - Council Regulation (EEC) No 2081/92 of 14 July 1992 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs (OJ 1992 L 208, p. 1), as amended by Council Regulation (EC) No 535/97 of 17 March 1997 (OJ 1997 L 83, p. 3, hereinafter 'the Regulation').
- 4: - See, in particular, the third, fifth and sixth recitals of the preamble.
- 5: - See Article 13(1) of the Regulation.
- 6: - See, in particular, the sixth and seventh recitals of the preamble to the Regulation.
- 7: - See paragraph 14 of the present Opinion.
- 8: - This Article provides that the Commission is to be assisted by a committee composed of the representatives of the Member States, who participate very actively in the decision-making procedure.
- 9: - Article 7 of the Regulation provides that a Member State may object to a proposed registration. It lays down the conditions for exercising that right and the procedural rules. It is provided, in particular, that a Member State may object to the registration of a generic name if it specifies the features which demonstrate that the name whose registration is applied for is generic in nature.
- 10: - Commission Regulation (EC) No 1107/96 of 12 June 1996 on the registration of geographical indications and designations of origin under the procedure laid down in Article 17 of Council Regulation (EEC) No 2081/92 (OJ 1996 L 148, p. 1).
- 11: - See, *inter alia*, the observations filed by Mr Bigi and the Consorzio Formaggio Parmigiano Reggiano ('the Consorzio').
- 12: - Hereinafter 'Castelli'.
- 13: - See the order for reference, p. 1.
- 14: - Legge italiana sulla denominazioni di origine e tipiche dei formaggi (Italian law on the protection of designations of origin and types of cheese) (GURI No 99 of 30 April 1954, 'the 1954 Italian law').
- 15: - Paragraphs 5 to 7 of the German Government's observations.
- 16: - See, *inter alia*, Case C-379/98 PreussenElektra [2001] ECR I-2099, paragraph 38.
- 17: - *Ibid.*, paragraph 39.
- 18: - Judgment in Case C-334/95 Krüger [1997] ECR I-4517, paragraph 22.
- 19: - *Ibid.*, paragraph 23.
- 20: - See, in particular, the judgment in Joined Cases 253/78 and Cases 1/79 to 3/79 Giry and Guerlain and Others [1980] ECR 2327.
- 21: - Without prejudice, however, to the provisions protecting trade marks.
- 22: - The Italian Republic confirmed at the hearing that it has not applied to register the name 'Parmigiano' by itself, or its translation 'parmesan'.
- 23: - Joined Cases C-289/96, C-293/96 and C-299/96 [1999] ECR I-1541.
- 24: - Paragraph 88.
- 25: - Articles 4 to 7 and 17 of the regulation.
- 26: - *Inter alia*, that of interested parties, the Member States and the representatives of an ad hoc committee.
- 27: - And, to a lesser extent, of the Council, because under Article 3(3) of the regulation, before the entry into force of the regulation, the Council, acting on a proposal from the Commission, is to draw up a list of the names of the agricultural products or foodstuffs which are regarded as being generic.
- 28: - *Ibid.*
- 29: - Order for reference, p. 1.
- 30: - The French language dictionary *Le Petit Robert*, *l'Encyclopédie de Diderot et d'Alembert* and the thesis submitted in 1998 by L. Malagoli to the university Paul-Sabatier at Toulouse (France), entitled *Pour la connaissance du fromage parmesan (Parmigiano Reggiano)*.
- 31: - The German and Austrian Governments do not dispute this even if they do not admit that the noun 'parmesan', the literal translation of that Italian term, can conjure up in the mind of their consumers a particular Italian cheese (see, in particular, the written observations of the Austrian Government, under the heading 'General observations').
- 32: - Which means 'originating in the province of Emilia-Romagna'.
- 33: - That designation in translation.
- 34: - See the order for reference, p. 2, final indent, and p. 3, final indent of the French translation: 'such verification is a necessary precondition for establishing whether, notwithstanding the continuing prohibition of using the name "Parmesan", the Italian criminal law provisions should be disappplied ...'.
- 35: - All of the intervening parties, including the German Government and Castelli recognise that the second paragraph of Article 13(2) of the Regulation permits such national provisions.
- 36: - See the order for reference, p. 2, final indent.
- 37: - That is, in circumstances such as those in this case (see order for reference, p. 2, final indent).
- 38: - In the present case, the Castelli undertaking stated that it has, in Italy, three production units that comply with the requirements of Article 13(1) of the Regulation protecting the PDO 'Parmigiano Reggiano'.
- 39: - See the sixth and seventh recitals to the preamble of the Regulation.
- 40: - Another of its objectives is the harmonisation of national practices for protecting designations of origin and geographical indications (see, in particular, the seventh recital of the preamble to the Regulation) so as to ensure the free circulation of products throughout the Community.
- 41: - Provided always that the other conditions laid down by Article 13(2) of the Regulation are respected.
- 42: - That is, the cumulative conditions provided by that text.
- 43: - According to Castelli itself. I will return to this below (see footnote 48).
- 44: - That confusion is heightened by the fact that, usually, the label includes illustrations which immediately call Italy to mind.

45: - The producers of cheese covered by the PDO 'Parmigiano Reggiano' made in Italy.

46: - See paragraph 74 of this Opinion.

47: - Castelli admitted, at the hearing, that its aim was not to infringe Italian law or Community law for the protection of the PDO 'parmesan', but to preserve its market share in other Community countries that do not prohibit the sale of cheese under the name 'parmesan' which does not comply with the specification of the registered PDO. Its purpose is essentially economic and therefore consists, on its own admission, in facing up to its competitors who market cheeses of an identical type to that made in Italy, with a view to marketing it outside the national frontiers under the label 'parmesan'.

48: - Such as the parmesan intended for export, made in Italy by Castelli.

49: - First indent of the third paragraph of Article 3(1).

50: - This is purely hypothetical since I maintain that the names 'parmesan' and 'Parmigiano Reggiano' are equivalent.

51: - See, in particular, judgments in Case C-328/91 Thomas and Others [1993] ECR I-1247, paragraph 8, and in Case C-287/98 Linster [2000] ECR I-6917, paragraph 49.

52: - That appears from the express wording of that provision: 'By derogation ...'.

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