

# THE POTENTIAL OF EU CERTIFICATION MARKS FOR VOLUNTARY CERTIFICATION SCHEMES IN THE FOOD SECTOR

MSc Thesis

Wageningen University / Law and Governance Group



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## Abstract

On the 1<sup>st</sup> of October 2017, the European Union Trademark Regulation (EUTMR) entered into force. When this Regulation entered into force, certification marks were introduced on European Union (EU) level as a new EU trademark. However, certification marks already existed in some national systems, regulated by Directive (EU) 2015/2436, although this Directive does not mandate the introduction of national certification marks.

The main disadvantage of EU certification marks is that they do not permit the use of the certification mark by the registered owner because the owner cannot carry on a business involving the supply of goods or services of the kind certified. This indicates that businesses who want to use their national certification mark in other EU Member States, cannot apply for an EU certification mark themselves in case the product or service they want to certify is of the same category as the product or service an EU certification mark is applied for. In order to get their product or service certified with an EU certification mark, there is the option of joining a voluntary certification scheme. The latter leads to the question what the potential of EU certification marks is for voluntary certification schemes; especially voluntary certification schemes in the food sector.

This research presents various angles to examine this potential. An analysis of the legal framework regarding EU certification marks of both the EUTMR and Directive (EU) 2015/2436 is given. Moreover, the advantages and limitations of EU certification marks for consumers, producers and certification mark owners are given. Furthermore, an analysis of the advantages and limitations of EU certification marks for voluntary certification schemes in the food sector is given. Overall, it can be concluded that there is definitely potential for EU certification marks to be used in voluntary certification schemes in the food sector. However, this conclusion should be supported with practical evidence, obtained in a few years from now when the use of EU certification marks has progressed.

## List of abbreviations

<b>BOIP</b>	Benelux Office for Intellectual Property
<b>B2B</b>	Business-to-Business
<b>B2C</b>	Business-to-Consumer
<b>EC</b>	European Commission
<b>EU</b>	European Union
<b>EUIPO</b>	European Union Intellectual Property Office
<b>EUTMR</b>	European Union Trademark Regulation
<b>GI</b>	Geographical Indication
<b>INTA</b>	International Trademark Association
<b>ISO</b>	International Organization for Standardization
<b>TSR</b>	Tripartite Standards Regime
<b>WIPO</b>	World Intellectual Property Organization

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# 1. Introduction

Consumers deal with trademarks on a daily basis, as a trademark is the symbol consumers use to make a distinction between different products. Trademarks, as well as their reputation, affect the purchasing decisions of consumers and therefore a trademark can be referred to as a brand.<sup>1</sup> In order to protect a trademark, one can register it. The legislative procedure for this registering process can be found in Directive (European Union (EU)) 2015/2436, which approximates the laws of the Member States relating to trademarks<sup>2</sup>. This Directive is also known as the Trademark Directive and according to this Directive,

*“(...) the principal procedural rules in the area of trademark registration in the Member States and in the EU trademark system should be aligned. As regards procedures under national law, it is sufficient to lay down general principles, leaving the Member States free to establish more specific rules.”<sup>3</sup>*

The latter means that the procedures regarding trademark registration differ in each European Union (EU) Member State. In addition to the Trademark Directive, Regulation (EU) 2017/1001 on the European Union Trademark (EUTMR) entered into force on the 1<sup>st</sup> of October 2017. This Regulation clearly states:

*“The Union law relating to trademarks does not replace the laws of the Member States on trademarks (...).”<sup>4</sup>*

This indicates that the current rules established in each EU Member State will still be valid and do not have to be adjusted according to the EUTMR. The EUTMR also states the following regarding national trademarks:

*“National trademarks continue to be necessary for those undertakings which do not want protection of their trademarks at Union level, or which are unable to obtain Union-wide protection while national protection does not face any obstacles. It should be left to each person seeking trademark protection to decide whether the protection is sought only as a national trademark in one or more Member States, or only as an EU trademark, or both.”<sup>5</sup>*

This means that the EUTMR does not make it mandatory for undertakings to register their trademark as an EU trademark. However, if an undertaking wants to register their trademark as an EU trademark, they must comply with the EUTMR. There are no unregistered trademark rights at EU level. Unregistered trademarks can only be protected by the laws of the EU Member States, but then the protection is only given in that Member State. An unregistered trademark is protected, when the trademark is intensively used for a longer time in trade or if the trademark has a very extraordinary reputation. The latter is also known as a ‘well-known mark’.<sup>6</sup>

There are three types of EU trademarks that can be registered: individual marks, collective marks and certification marks. The latter was introduced by the EUTMR as a new kind of EU trademark, although certification marks already existed in some national systems.<sup>7</sup> In order to better understand the legal framework of the EUTMR, the three types of EU trademarks will be elaborated on in the next chapters.

<sup>1</sup> European Union Intellectual Property Office (EUIPO). (2017). Trademark definition. Retrieved from <https://euipo.europa.eu/ohimportal/en/trademark-definition>

<sup>2</sup> Directive (EU) 2015/2436 is also known as the Trademark Directive. The term ‘Trademark Directive’ will be used in the text to indicate Directive (EU) 2015/2436.

<sup>3</sup> Paragraph 9 of the Recital of Directive (EU) 2015/2436.

<sup>4</sup> Paragraph 7 of the Recital of the EUTMR.

<sup>5</sup> Paragraph 8 of the Recital of the EUTMR.

<sup>6</sup> International Trademark Association (INTA). (2019). Unregistered trademarks in EU trademark law. Retrieved from [https://www.inta.org/TMR/Pages/Vol107\\_no3\\_a1.aspx](https://www.inta.org/TMR/Pages/Vol107_no3_a1.aspx)

<sup>7</sup> EUIPO. (2017). *EU Trademark Reform: Summary of changes applying from 1 October 2017* [PDF], p. 7.

## 1.1. EU trademarks

A trademark is “a sign capable of distinguishing the goods or services of one company from those of another.”<sup>8</sup> Trademarks are protected by intellectual property rights and can be “words, logos, devices or other distinctive features, or even a combination of these.”<sup>9</sup> Trademarks must be distinctive and must not describe what they sell, in order to be qualified for registration.<sup>10</sup> As mentioned before, trademarks can be registered at national level, which are called national trademarks or at EU level, which are called EU trademarks.<sup>11</sup> According to the EUTMR, an EU trademark is

*“a trademark for goods or services which is registered in accordance with the conditions contained in this Regulation and in the manner herein provided.”<sup>12</sup>*

By giving companies the option of registering their trademark either at national level or EU level, the different needs of companies should be met. Small companies or local firms do not always need EU-wide protection and for those companies a national trademark is a better option than an EU trademark. It is often the other way around for larger companies, since they do benefit from an EU trademark.<sup>13</sup> The EUTMR distinguishes three types of EU trademarks: individual marks, collective marks and certification marks, which will now be further explained.

### 1.1.1. Individual marks

An individual mark is an EU trademark and has the same definition as a trademark: “a sign capable of distinguishing the goods or services of one company from those of another.”<sup>14</sup> Although the trademark is designated as “individual”, it does not mean that it has to be owned by one single person. The possibility that one or more legal or natural persons own an individual trademark does exist, which means there can be multiple applicants.<sup>15</sup> Most of the trademarks registered are individual trademarks.<sup>16</sup>

### 1.1.2. Collective marks

A collective mark is another EU trademark, which is defined by the EUTMR as:

*“An EU trademark which is described as such when the mark is applied for and is capable of distinguishing the goods or services of the members of the association which is the proprietor of the mark from those of other undertakings (...).”<sup>17</sup>*

Examples of associations that have the opportunity to apply for an EU collective mark are

*“(...) associations of manufacturers, producers, suppliers of services, or traders (...) as well as legal persons governed by public law (...).”<sup>18</sup>*

The collective mark is owned by the association and moreover the mark is used to show that “the products or services bearing it are provided by a member of the association.”<sup>19</sup> Collective marks are often used to identify products which share a certain characteristic and can therefore serve as an indicator of geographical origin. Collective marks can also be used to increase the confidence of consumers in the products or services offered under the collective mark.<sup>20</sup>

<sup>8</sup> European Commission (EC). (n.d.). Trademark protection in the EU. Retrieved from [https://ec.europa.eu/growth/industry/intellectual-property/trade-mark-protection\\_en](https://ec.europa.eu/growth/industry/intellectual-property/trade-mark-protection_en)

<sup>9</sup> EC. (n.d.). Trademark protection in the EU. Retrieved from [https://ec.europa.eu/growth/industry/intellectual-property/trade-mark-protection\\_en](https://ec.europa.eu/growth/industry/intellectual-property/trade-mark-protection_en)

<sup>10</sup> EUIPO. (2017). What can be an EU trademark? Retrieved from <https://euipo.europa.eu/ohimportal/en/what-can-be-an-eu-trade-mark>

<sup>11</sup> EC. (n.d.). Trademark protection in the EU. Retrieved from [https://ec.europa.eu/growth/industry/intellectual-property/trade-mark-protection\\_en](https://ec.europa.eu/growth/industry/intellectual-property/trade-mark-protection_en)

<sup>12</sup> Article 1(1) EUTMR.

<sup>13</sup> EC. (n.d.). Trademark protection in the EU. Retrieved from [https://ec.europa.eu/growth/industry/intellectual-property/trade-mark-protection\\_en](https://ec.europa.eu/growth/industry/intellectual-property/trade-mark-protection_en)

<sup>14</sup> EUIPO. (2017). What can be an EU trademark? Retrieved from <https://euipo.europa.eu/ohimportal/en/what-can-be-an-eu-trade-mark>

<sup>15</sup> EUIPO. (2017). What can be an EU trademark? Retrieved from <https://euipo.europa.eu/ohimportal/en/what-can-be-an-eu-trade-mark>

<sup>16</sup> Benelux Office for Intellectual Property (BOIP). (2017). What is a trademark? Retrieved from <https://www.boip.int/en/entrepreneurs/trademarks/what-is-a-trademark#individual-collective-or-certification-trademark>

<sup>17</sup> Article 74(1) EUTMR.

<sup>18</sup> Article 74(1) EUTMR.

<sup>19</sup> BOIP. (2017). What is a trademark? Retrieved from <https://www.boip.int/en/entrepreneurs/trademarks/what-is-a-trademark#individual-collective-or-certification-trademark>

<sup>20</sup> BOIP. (2017). What is a trademark? Retrieved from <https://www.boip.int/en/entrepreneurs/trademarks/what-is-a-trademark#individual-collective-or-certification-trademark>



### 1.1.3. Certification marks

Certification marks were introduced as an EU trademark when the EUTMR entered into force. Before this Regulation entered into force, certification marks did already exist in some national systems. According to the Trademark Directive,

*“a ‘guarantee or certification mark’ means a trademark which is described as such when the mark is applied for and is capable of distinguishing goods or services which are certified by the proprietor of the mark in respect of material, mode of manufacture of goods or performance of services, quality, accuracy or other characteristics, from goods and services which are not so certified.”<sup>21</sup>*

Although this definition does not make a distinction between guarantee marks and certification marks, there is a difference between both trademarks; where guarantee marks include the geographical origin in order to distinguish goods or services, certification marks do not distinguish goods or services based on geographical origin.<sup>22</sup> The latter is also proven by the EUTMR, which defines an EU certification mark as:

*“An EU trademark which is described as such when the mark is applied for and is capable of distinguishing goods or services which are certified by the proprietor of the mark in respect of material, mode of manufacture of goods or performance of services, quality, accuracy or other characteristics, with the exception of geographical origin, from goods and services which are not so certified.”<sup>23</sup>*

It also becomes clear from the EUTMR that only certification marks are regulated at EU level, whereas guarantee marks are not. When applying for an EU registration of a guarantee mark, the guarantee mark will be treated either as an EU certification mark or as an EU collective mark, whichever is applicable.<sup>24</sup> Certification marks are used to indicate that goods or services comply with the certification requirements of a certain certifying institution or organisation.<sup>25</sup> Certification marks act as a sign of supervised quality in contrast to collective marks, which indicate that goods or services come from a collective or group. When comparing individual trademarks with certification marks, it shows that an individual trademark guarantees the origin of the goods or services to which it is applied, whereas a certification mark guarantees specific characteristics of products and services.<sup>26</sup> In order to apply for an EU certification mark, the EUTMR requires the following:

*“Any natural or legal person, including institutions, authorities and bodies governed by public law, may apply for EU certification marks, provided that such person does not carry on a business involving the supply of goods or services of the kind certified.”<sup>27</sup>*

In other words, any natural or legal person can own an EU certification mark, but only if it does not supply the products or services of the kind certified itself. When a natural or legal person wants to certify a product or service produced by itself with an EU certification mark, there is the option of joining a voluntary certification scheme.

## 1.2. Voluntary certification schemes

Certification can be a tool to add credibility to a product, service or system. Mainly by demonstrating that a product, service or system meets the expectations of its consumers, the credibility is increased.<sup>28</sup> The international standards a product, service or system has to comply to, in order to qualify for certification, are developed by the International Organization for Standardization (ISO). ISO is an independent, non-governmental international organization consisting of 164 national standards bodies. The international standards give specifications for

<sup>21</sup> Article 27(a) Directive (EU) 2015/2436.

<sup>22</sup> Medina Gonzalez, M.A. (2012). Collective, guarantee and certification marks and GIs: Connections and dissimilarities. *Journal of Intellectual Property Law & Practice*, 7(4), p. 251-263.

<sup>23</sup> Article 83(1) EUTMR.

<sup>24</sup> Article 194(1) EUTMR.

<sup>25</sup> EUIPO. (2017). What can be an EU trademark? Retrieved from <https://euipo.europa.eu/ohimportal/en/what-can-be-an-eu-trade-mark>

<sup>26</sup> EUIPO. (2017). *EU Trademark Reform: Summary of changes applying from 1 October 2017* [PDF], p. 7.

<sup>27</sup> Article 83(2) EUTMR.

<sup>28</sup> International Organization for Standardization (ISO). (n.d.). The facts about certification. Retrieved from <https://www.iso.org/certification.html>

products, services and systems, to ensure quality, safety and efficiency. Moreover, these standards are the main instrument in facilitating international trade.<sup>29</sup>

After checking the compliance of a product, service or system with the international standards, it can either be certified or not. Certification means “the provision by an independent body of written assurance (a certificate) that the product, service or system in question meets specific requirements.”<sup>30</sup> There are different models of certification, which are first-party certification, second-party certification and third-party certification. First-party certification means that “the individual or organization providing a product, service or system offers assurance that it meets certain standards.”<sup>31</sup> Second-party certification means that “an association to which the individual or organization belongs provides the assurance.”<sup>32</sup> Third-party certification involves “an independent assessment declaring that specified requirements applying to a product, service or system have been met.”<sup>33</sup> When a product, service or system receives a certificate, the company has to maintain the product, service or system in order to still meet the requirements and thus to keep the certificate. When it appears that the requirements for the certificate are no longer met, the certificate can be suspended or withdrawn.<sup>34</sup>

The certification of international standards is performed by external certification bodies and not by ISO itself, which means ISO does not issue certificates.<sup>35</sup> However, keep in mind that accredited and non-accredited certification bodies exist. Accreditation is “the formal recognition by an independent body, generally known as an accreditation body, that a certification body operates according to international standards.”<sup>36</sup> The accreditation is not compulsory, but it does provide an independent confirmation of competence to the certification body. However, a non-accredited certification body does not necessarily mean it is not reputable.<sup>37</sup> The whole process of standard-setting, certification and accreditation, is also known as the Tripartite Standards Regime (TSR).<sup>38</sup>

A certification body is responsible for developing and maintaining a specific certification scheme. Not only a certification body, but also a governmental authority, a trade association or a group of certification bodies can be the owner of a certification scheme.<sup>39</sup> It “provides assurance that certain characteristics or attributes of the product or its production method or system, laid down in specifications, are observed.”<sup>40</sup> The requirements set in certification schemes are non-regulatory. Certification schemes can operate on business-to-business level (B2B) or at business-to-consumer level (B2C). Furthermore, certification schemes can be voluntary (known as ‘voluntary certification schemes’).<sup>41</sup> The EC developed best practice guidelines for voluntary certification schemes for agricultural products and foodstuffs. These guidelines are voluntary and do not have a legal status in the EU. Moreover, the guidelines are

<sup>29</sup> ISO. (n.d.). About ISO. Retrieved from <https://www.iso.org/about-us.html>

<sup>30</sup> ISO. (n.d.). The facts about certification. Retrieved from <https://www.iso.org/certification.html>

<sup>31</sup> Kiwa. (n.d.). What is first-, second- and third-party certification? Retrieved from <https://www.kiwa.com/en/services/certification/what-is-first-second-and-third-party-certification/>

<sup>32</sup> Kiwa. (n.d.). What is first-, second- and third-party certification? Retrieved from <https://www.kiwa.com/en/services/certification/what-is-first-second-and-third-party-certification/>

<sup>33</sup> Kiwa. (n.d.). What is first-, second- and third-party certification? Retrieved from <https://www.kiwa.com/en/services/certification/what-is-first-second-and-third-party-certification/>

<sup>34</sup> ISO. (n.d.). The facts about certification. Retrieved from <https://www.iso.org/certification.html>

<sup>35</sup> ISO. (n.d.). The facts about certification. Retrieved from <https://www.iso.org/certification.html>

<sup>36</sup> ISO. (n.d.). The facts about certification. Retrieved from <https://www.iso.org/certification.html>

<sup>37</sup> ISO. (n.d.). The facts about certification. Retrieved from <https://www.iso.org/certification.html>

<sup>38</sup> Schebesta, H. (2017). Control in the label – self-declared, certified, accredited? On-pack consumer communication about compliance control in voluntary food schemes from a legal perspective. In: Rott, P. (Ed.), *Certification – trust, accountability, liability* (p. 143-161).

<sup>39</sup> ISO. (2013). Conformity assessment – Fundamentals of product certification and guidelines for product certification schemes. Retrieved from <https://www.iso.org/standard/55087.html>

<sup>40</sup> Chapter 1 of the EC, Commission Communication – EU best practice guidelines for voluntary certification schemes for agricultural products and foodstuffs.

<sup>41</sup> Chapter 1 of the EC, Commission Communication – EU best practice guidelines for voluntary certification schemes for agricultural products and foodstuffs.

primarily directed to scheme developers and operators.<sup>42</sup> The guidelines recommend that voluntary certification schemes

*“should be open under transparent and non-discriminatory criteria to all participants willing and able to comply with the specifications.”<sup>43</sup>*

This means that businesses can join voluntary certification schemes to get their product, service or system certified. An example of a voluntary certification scheme is UTZ. When joining the UTZ certification scheme, businesses can show consumers that they are committed to both consumer and the environment. The latter is positive for both your reputation as well as your sales, as consumers are increasingly demanding to know where their products come from and how they have been sourced.<sup>44</sup>

### 1.3. Problem statement

When the EUTMR entered into force, certification marks were introduced on EU level. However, certification marks already existed in some national systems. According to Article 28(1) of the Trademark Directive

*“Member States may provide for the registration of certification marks.”*

In other words, the Directive does not mandate the introduction of national certification marks but leaves the option to the EU Member States. Examples of Member States who did introduce certification marks into their national legislation are Austria, Bulgaria, Croatia, Cyprus, Denmark, Estonia, Finland, France, Hungary, Ireland, Latvia, Malta, Portugal, Romania, Spain, Sweden and the UK.<sup>45</sup> Although the Trademark Directive is binding, it is up to the Member States how they want to implement this Directive into their national legislation. In other words, the legislation regarding national certification marks will differ among the EU Member States. For example, Austria permits the use of a certification mark by the registered owner, even if the product or service certified is of the same category as the product or service the certification mark is applied for.<sup>46</sup> However, EU certification marks do not permit the use of the certification mark by the registered owner because the owner cannot carry on “a business involving the supply of goods or services of the kind certified.”<sup>47</sup>

This indicates that large businesses who want to use their national certification mark in other EU Member States, cannot apply for an EU certification mark themselves in case the product or service they want to certify is of the same category as the product or service an EU certification mark is applied for.<sup>48</sup> In order to get their product or service certified with an EU certification mark, there is the option of joining a voluntary certification scheme. The latter leads to the question what the potential of EU certification marks is for voluntary certification schemes; especially voluntary certification schemes in the food sector.

### 1.4. Research question

Based on the problem statement above, the following research question will be the focus of this thesis:

*What is the potential of EU certification marks for voluntary certification schemes in the food sector?*

<sup>42</sup> Chapter 1.2 of the EC, Commission Communication – EU best practice guidelines for voluntary certification schemes for agricultural products and foodstuffs.

<sup>43</sup> Chapter 4, Paragraph 1 of the EC, Commission Communication – EU best practice guidelines for voluntary certification schemes for agricultural products and foodstuffs.

<sup>44</sup> UTZ. (2019). Certification for companies. Retrieved from [https://utz.org/what-we-offer/certification/for-companies/?gclid=Cj0KCQjws5HIBRDIArIsAOomqA1UEC1oF-xyMk5kC2V8tGzIzcKDK4DiaMPGO2SzkWbwoLSav9G312MaArx7EALw\\_wcB](https://utz.org/what-we-offer/certification/for-companies/?gclid=Cj0KCQjws5HIBRDIArIsAOomqA1UEC1oF-xyMk5kC2V8tGzIzcKDK4DiaMPGO2SzkWbwoLSav9G312MaArx7EALw_wcB)

<sup>45</sup> Ringelmann, A., Martin, S. (2018). Defining the EU certification mark. *Journal of Intellectual Property Law & Practice*, 13(8), p. 625-626.

<sup>46</sup> Webster, N. (2017, October 12). 8 things to know about the new EU certification mark. Retrieved from <https://www.trademarknow.com/blog/8-things-to-know-about-the-new-eu-certification-marks>

<sup>47</sup> Article 83(2) EUTMR.

<sup>48</sup> Article 83(2) EUTMR.

In order to answer this research question, the following sub-questions need to be answered:

1. What is the general purpose of EU certification marks?
2. What is the general purpose of certification marks in the national legislation of EU Member States?
3. What are the advantages and limitations of EU certification marks over other 'regular' trademarks, considering all stakeholders involved?
4. What are the advantages and limitations of EU certification marks for voluntary certification schemes in the food sector, considering all stakeholders involved?

It should be noted that sub-question 1 also sets out the legal framework of the EUTMR regarding EU certification marks and sub-question 2 also sets out the legal framework of the Trademark Directive regarding national certification marks.

## 1.5. Methodology

Three research methods will be used in this research, which are the doctrinal method, the comparative method and a web-based literature review. The doctrinal research method is known as "pure theoretical research" and is concerned with the analysis of legal sources.<sup>49</sup> The comparative method is concerned with the comparison of legal systems.<sup>50</sup> Each chapter of this thesis will focus on one sub-question, including the corresponding sub-sub-questions.

Chapter 2 will focus on finding the general purpose of EU certification marks and requires a doctrinal legal analysis of the EUTMR. This legal analysis will only focus on the Articles addressing EU certification marks and to support this legal analysis, a web-based literature review will be applied. Chapter 2 will also focus on the general purpose of certification marks in the national legislation of EU Member States. In order to find this general purpose, again the doctrinal method will be used. Although, this time a doctrinal legal analysis of the Trademark Directive will be made, addressing only the Articles regarding certification marks. Again, a web-based literature review will be applied to support the legal analysis.

Chapter 3 will focus on the advantages and limitations of certification marks over other 'regular' trademarks. Several characteristics of EU certification marks will be listed and compared to other 'regular' trademarks. At the same time, these characteristics will also be assessed from the viewpoint of different stakeholders involved with or affected by EU certification marks, to decide whether each characteristic will be an advantage or a limitation to the different stakeholders. In this Chapter, the doctrinal method as well as a web-based literature review will be applied to find the different characteristics of each trademark. Furthermore, a comparative method and a web-based literature review will be used to compare certification marks with other 'regular' trademarks and to assess the characteristics of EU certification marks from the viewpoint of each stakeholder involved.

Chapter 4 will concentrate on the advantages and limitations of EU certification marks for voluntary certification schemes in the food sector. This Chapter will apply the doctrinal research method and a web-based literature review in order to evaluate the advantages and limitations of EU certification marks for voluntary certification schemes in the food sector. The answers to all four sub-questions will help to answer the main research question:

*What is the potential of EU certification marks for voluntary certification schemes in the food sector?*

<sup>49</sup> Gawas, V.M. (2017). Doctrinal legal research method a guiding principle in reforming the law and legal system towards the research development. *International Journal of Law*, 3(5), p. 129.

<sup>50</sup> Van Hoecke, M. (2015). Methodology of comparative legal research. *Law and Method*, Issue 12, p. 2.

## 2. The general purpose of EU certification marks and national certification marks

Certification marks already existed on national level in several EU Member States before the EUTMR entered into force. The legislation regarding national certification marks is recorded in the Trademark Directive. This Directive is binding, but the Directive does not mandate the introduction of national certification marks.<sup>51</sup> The EUTMR does not obligate businesses to use their trademark as an EU trademark, which means national certification marks are still being used in several EU Member States.<sup>52</sup> National trademark law and EU trademark law therefore coexist and are complementary to each other.<sup>53</sup> To examine the potential of EU certification marks for voluntary certification schemes in the food sector, it is important to know the general purpose of both EU certification marks and national certification marks. To find these general purposes, the general purpose of EU trademarks and national trademarks will be established and the legal framework regarding certification marks of both the EUTMR and the Trademark Directive will be analysed.

### 2.1. The general purpose of EU trademarks

The general purpose of EU trademarks will be identified based on the Recital of the EUTMR. Paragraph 3 of the Recital of the EUTMR states the general purpose of EU trademarks:

*“It is desirable to promote throughout the Union a harmonious development of economic activities and a continuous and balanced expansion by completing an internal market which functions properly and offers conditions which are similar to those obtaining in a national market. In order to establish a market of this kind and make it increasingly a single market, not only should barriers to free movement of goods and services be removed and arrangements be instituted which ensure that competition is not distorted, but, in addition, legal conditions should be laid down which enable undertakings to adapt their activities to the scale of the Union, whether in manufacturing and distributing goods or in providing services. For those purposes, trademarks enabling the products and services of undertakings to be distinguished by identical means throughout the entire Union, regardless of frontiers, should feature amongst the legal instruments which undertakings have at their disposal.”*

This Paragraph indicates that EU trademarks are seen as one of the legal instruments, that can be used to establish a single market throughout the entire EU. The creation of a single internal market, which provides for the free movement of goods, services, people and capital, is one of the primary goals of the establishment of the EU.<sup>54</sup> This single market should function like a national market and in order to achieve this, the EUTMR provides one procedural system to register EU trademarks.<sup>55</sup> By implementing one procedural system for the registering of EU trademarks, governed by the EUTMR, unrestricted economic activity in the whole of the internal market is enhanced. Only approximation of the trademark laws of all EU Member States is not sufficient to serve this purpose and that is why the EUTMR entered into force.<sup>56</sup>

### 2.2. The legal framework of the EUTMR regarding EU certification marks

EU certification marks are a type of EU trademarks. It is therefore likely to assume that EU certification marks have the same general purpose as EU trademarks. This assumption is supported by a study executed by the Max Planck Institute, which identified that EU certification marks serve “to remedy the current imbalance between national systems and the EU

<sup>51</sup> Article 28(1) Directive (EU) 2015/2436.

<sup>52</sup> Paragraph 8 of the Recital of the EUTMR.

<sup>53</sup> EC. (n.d.). Trademark protection in the EU. Retrieved from [https://ec.europa.eu/growth/industry/intellectual-property/trade-mark-protection\\_en](https://ec.europa.eu/growth/industry/intellectual-property/trade-mark-protection_en)

<sup>54</sup> Cohen Jehoram et al. (2010). *European Trademark Law: Community Trademark Law and Harmonized National Trademark Law*, p. 468.

<sup>55</sup> Paragraph 4 of the Recital of the EUTMR.

<sup>56</sup> Paragraph 5 of the Recital of the EUTMR.



trademark system.”<sup>57</sup> To support the assumption that EU certification marks have the same general purpose as EU trademarks even more, the legal framework of the EUTMR regarding EU certification marks will be analysed. By linking the legal framework of the EUTMR regarding EU certification marks to the general purpose of EU trademarks and thus to the Recital of the EUTMR, the general purpose of EU certification marks will be determined. The legal framework of the EUTMR regarding certification marks consists of the Articles 83 till 93.

The general aspects of EU certification marks are described in Article 83. According to Article 83(1), an EU certification mark shall be

*“an EU trade mark which is described as such when the mark is applied for and is capable of distinguishing goods or services which are certified by the proprietor of the mark in respect of material, mode of manufacture of goods or performance of services, quality, accuracy or other characteristics, with the exception of geographical origin, from goods and services which are not so certified.”*

This Article clearly states that an EU certification mark must be capable of distinguishing goods and services from undertakings throughout the entire EU, which is in line with Paragraph 3 of the Recital of the EUTMR. However, where EU trademarks are meant to indicate to consumers the source of a particular product or service, EU certification marks have the intention to identify particular characteristics of a product to consumers. Especially those characteristics that are not easily observable when inspecting the product.<sup>58</sup> In addition to Article 83(1), Article 83(2) of the EUTMR sets the requirement:

*“Any natural or legal person, including institutions, authorities and bodies governed by public law, may apply for EU certification marks provided that such person does not carry on a business involving the supply of goods or services of the kind certified.”*

According to Paragraph 4 of the Recital of the EUTMR, certain Union arrangements have to be formulated to pursue the objectives of the EU stated in Paragraph 3 of the Recital of the EUTMR. Article 83(2) can be seen as one of those Union arrangements. Paragraph 4 of the Recital of the EUTMR also states:

*“(…) undertakings can by means of one procedural system obtain EU trademarks (…).”*

This Paragraph indicates the establishment of only one procedural system for obtaining EU certification marks, which is necessary for the realisation of a single market throughout the entire EU.<sup>59</sup> The Articles 84 till 93 of the EUTMR set out the requirements of this procedural system in relation to EU certification marks. Article 84 is about the regulations governing the use of an EU certification mark; Article 85 is about refusing the application for an EU certification mark; and Article 86 is about the observations of third parties, who can be

*“any natural or legal person and any group or body representing manufacturers, producers, suppliers of services, traders or consumers (…).”<sup>60</sup>*

Article 87 is about the use of an EU certification mark; Article 88 is about amending the regulations governing use of the EU certification mark; Article 89 is about the transfer of an EU certification mark; Article 90 is about the persons who are entitled to bring an action for infringement; Article 91 is about the grounds for revocation; Article 92 is about the grounds for invalidity; and Article 93 is about the conversion of an application for an EU certification mark.

<sup>57</sup> Max Planck Institute for Intellectual Property and Competition Law. (2011). *Study on the overall functioning of the European Trademark System* [PDF], p. 212.

<sup>58</sup> Contreras, J.L. (2018). Trademarks, certification marks and technical standards. In: Contreras, J.L. (Ed.), *The Cambridge Handbook of Technical Standardization Law, Vol. 2: Administrative Law, Trade, Privacy, Tort, Copyright and Trademark*. Cambridge (p. 205-230).

<sup>59</sup> Paragraph 5 of the Recital of the EUTMR.

<sup>60</sup> Article 45(1) EUTMR.

### 2.3. The general purpose of national trademarks

The general purpose of national trademarks will be identified based on the Recital of the Trademark Directive. Before the Trademark Directive entered into force, Directive 2008/95/EC approximated the laws of EU Member States relating to trademarks.<sup>61</sup> This Directive was adopted because it was considered that

*“the trademark laws applicable in the Member States (...) contained disparities, which may have impeded the free movement of goods and freedom to provide services and may have distorted competition within the common market.”<sup>62</sup>*

This indicates that national trademarks affect the functioning of the internal market of EU Member States. By implementing Directive 2008/95/EC, the central provisions of the trademark laws of the EU Member States were harmonised and a proper functioning of the internal market in each EU Member State was ensured.<sup>63</sup> The Trademark Directive is an amended version of Directive 2008/95/EC and also has the objective of

*“(...) fostering and creating a well-functioning internal market and to facilitate acquiring and protecting trademarks in the Union, to the benefit of the growth and the competitiveness of European businesses (...).”<sup>64</sup>*

These objectives are reached by aligning the national legislation regarding trademarks with the legislation regarding EU trademarks because national trademark law and EU trademark law coexist and are complementary to each other. This is written down in Paragraph 3 of the Recital of the Trademark Directive, which states:

*“trademark protection in the Member States coexists with protection available at Union level (...). The coexistence and balance of trademark systems at national and Union level in fact constitutes a cornerstone of the Union's approach to intellectual property protection.”*

Due to this coexistence with EU trademark law and the fact that national trademarks affect the functioning of the internal market of EU Member States, national trademarks are seen as one of the legal instruments that can be used to establish a well-functioning internal market in EU Member States.

### 2.4. The legal framework of the Trademark Directive regarding national certification marks

National trademarks also cover national certification marks. It is therefore likely to assume that national certification marks have the same general purpose as national trademarks. To support this assumption, the legal framework of the Trademark Directive regarding certification marks will be analysed. By linking the legal framework of the Trademark Directive regarding certification marks to the general purpose of national trademarks and thus to the Recital of the Trademark Directive, the general purpose of EU certification marks will be determined.

The legal framework of the Trademark Directive regarding certification marks consists of the Articles 27(a) and 28. Article 27(a) gives the definition of a certification mark:

*“A trade mark which is described as such when the mark is applied for and is capable of distinguishing goods or services which are certified by the proprietor of the mark in respect of material, mode of manufacture of goods or performance of services, quality, accuracy or other characteristics, from goods and services which are not so certified.”*

This article illustrates the coexistence of national trademark law and EU trademark law, as stated in Paragraph 3 of the Recital of the Trademark Directive. The definition of a national certification mark is in principle the same as the definition of an EU certification mark. However,

<sup>61</sup> Paragraph 1 of the Recital of Directive (EU) 2015/2436.

<sup>62</sup> Paragraph 2 of the Recital of Directive 2008/95/EC.

<sup>63</sup> Paragraph 2 of the Recital of Directive 2008/95/EC.

<sup>64</sup> Paragraph 8 of the Recital of Directive (EU) 2015/2436.

EU certification marks have to enable the distinguishment of certified and non-certified goods and services throughout the entire EU and not only in one EU Member State. Furthermore, national certification marks, like EU certification marks, enable the distinguishment of products and services of undertakings, which contributes to the creation of a well-functioning market.<sup>65</sup> The creation of a well-functioning internal market is one of the objectives of the Trademark Directive, as stated in Paragraph 8 of the Recital of the Trademark Directive.

It is not mandatory for EU Member States to provide for the registration of certification marks.<sup>66</sup> If an EU Member State does provide for the registration of certification marks, Article 28 sets out the requirements of this procedural system and of the use of national certification marks. These requirements are only general principles, which means the Trademark Directive leaves EU Member States free to establish more specific rules.<sup>67</sup>

However, EU Member States should ensure that their industrial property offices cooperate with each other, in order to promote convergence of practices and tools.<sup>68</sup> Article 28(2) of the Trademark Directive is the same as Article 83(2) of the EUTMR and sets a condition regarding the application for a national certification mark:

*“Any natural or legal person, including institutions, authorities and bodies governed by public law, may apply for guarantee or certification marks provided that such person does not carry on a business involving the supply of goods or services of the kind certified.”*

As mentioned in Chapter 2.2., Article 83(2) of the EUTMR is a Union arrangement, which was formulated to pursue the establishment of a single market throughout the entire EU. By implementing only one procedural system for the registering of EU trademarks, it is achieved that the single market will function like a national market. Since the general principles for the procedural system are written down in the Trademark Directive, each Member State developed only one procedural system to obtain a national certification mark. The application and registration of national certification marks can be done at the industrial property office of each EU Member State.<sup>69</sup> The establishment of one procedural system in each Member State for the registering of national certification marks, enhances unrestricted economic activity in the whole of the internal market and thus creates a well-functioning internal market.<sup>70</sup>

## 2.5. Conclusion

The focus of this Chapter was on finding the general purpose of EU certification marks and national certification marks. In order to find these general purposes, the general purpose of EU trademarks and national trademarks had to be identified first.

It can be concluded that EU trademarks serve to enhance one single market throughout the entire EU, which functions like a national market. By creating one single market, the current imbalance between national systems and the EU trademark system is redressed. This is also the general purpose of national trademarks, although national trademarks are not applicable throughout the entire EU. In other words, national trademarks serve to enhance a well-functioning market within one EU Member State. Both EU trademarks and national trademarks have to enable the distinguishment of products and services of undertakings.

Considering EU certification marks are a type of EU trademark, it was assumed that the general purpose of EU certification marks is the same as the general purpose of EU trademarks. This assumption is supported by the legal framework of the EUTMR regarding certification marks and therefore also EU certification marks serve as legal instruments for the

<sup>65</sup> Paragraph 3 of the Recital of the EUTMR.

<sup>66</sup> Article 28(1) Directive (EU) 2015/2436

<sup>67</sup> Paragraph 9 of the Recital of Directive (EU) 2015/2436.

<sup>68</sup> Paragraph 39 of the Recital of Directive (EU) 2015/2436.

<sup>69</sup> Paragraph 39 of the Recital of Directive (EU) 2015/2436.

<sup>70</sup> Paragraph 5 of the Recital of the EUTMR.



creation of one single market throughout the entire EU, which functions like a national market. Similar assumptions were made for national certification marks. Since national certification marks are a type of national trademark, it was assumed that the general purpose of national certification marks is the same as the general purpose of national trademarks. This assumption turned also out to be true and was supported by the legal framework of the Trademark Directive regarding certification marks. Therefore, the general purpose of national certification marks is to enhance a well-functioning market within one EU Member State. Both EU certification marks and national certification marks have to enable the distinguishment of products and services of undertakings.

Overall, EU certification marks and national certification marks have the same general purpose. However, EU certification marks are valid throughout the entire EU and national certification marks only in one EU Member State. This conclusion indicates that national trademark law and EU trademark law coexist and are complementary to each other.

### 3. EU certification marks versus ‘regular’ trademarks

Although certification marks already existed in the national legislation of several EU Member States, one likes to stick with what one knows. To give natural and legal persons several reasons why they should or should not apply for an EU certification mark, this Chapter will focus on finding the advantages and limitations of EU certification marks over other ‘regular’ trademarks. In this Chapter, the term ‘regular trademarks’ comprises EU individual marks and EU collective marks, which were already used on EU level before certification marks were introduced on EU level. Several characteristics of EU certification marks will be listed and compared to the characteristics of ‘regular’ trademarks. At the same time, these characteristics will also be assessed from the viewpoint of different stakeholders to decide whether each characteristic will be an advantage or a limitation to the different stakeholders. The stakeholders considered in this Chapter are consumers, producers and certification mark owners.

#### 3.1. Quality standards

EU certification marks “serve to communicate adherence to certain quality standards”, since an EU certification mark is capable of distinguishing certified goods and services from non-certified goods and services based on their quality.<sup>71</sup> This is currently an important advantage for producers, since consumers are more and more seeking guarantees that the goods or services, they have purchased, comply with certain standards regarding the production process or product safety. By certifying their goods and services in such a way that they comply with the requirements of their consumers, producers ensure that the standards of the consumers are met.<sup>72</sup> If one of these standards is about the quality of a product or service, then an EU certification mark guarantees an absolute level of quality, while an EU individual mark guarantees that the level of quality as a whole remains consistent.<sup>73</sup> Since the requirements of consumers are met by the producers through the use of an EU certification mark, this characteristic of an EU certification mark is also an advantage seen from the viewpoint of the consumers.<sup>74</sup>

#### 3.2. Geographical origin

Besides distinguishing certified goods and services from non-certified goods and services based on their quality, there is also the distinguishment based on geographical origin. An important characteristic of EU certification marks is that they do not have to be capable of distinguishing certified and non-certified goods and services based on geographical origin, whereas EU individual marks and EU collective marks do indicate the origin of the certified goods and services supplied by the owner of the mark.<sup>75</sup> EU certification marks can therefore not be used for distinguishing certified and non-certified goods or services based on geographical origin. Regardless of the origin of the certified goods or services, EU certification marks suggest that those goods or services comply with certain quality standards.<sup>76</sup> The reason behind this prohibition is probably “the protection of the geographical names at the level of Member States and at the EU level.”<sup>77</sup> This is seen as a general limitation of EU certification marks, which is mostly disadvantageous to producers who want to file an EU certification mark

<sup>71</sup> Ringelhann, A., Martin, S. (2018). Defining the EU certification mark. *Journal of Intellectual Property Law & Practice*, 13(8), p. 625; Article 83(1) EUTMR.

<sup>72</sup> Repas, M., Keresteš, T. (2018). The certification mark as a new EU-wide industrial property right. *International Review of Intellectual Property and Competition Law*, 49(3), p. 301.

<sup>73</sup> Belson, J. (2017). *Certification and Collective Marks – Law and Practice*, p. 31.

<sup>74</sup> Repas, M., Keresteš, T. (2018). The certification mark as a new EU-wide industrial property right. *International Review of Intellectual Property and Competition Law*, 49(3), p. 301.

<sup>75</sup> Article 83(1) EUTMR; Article 4 EUTMR; Article 74(1) EUTMR.

<sup>76</sup> Repas, M., Keresteš, T. (2018). The certification mark as a new EU-wide industrial property right. *International Review of Intellectual Property and Competition Law*, 49(3), p. 302.

<sup>77</sup> Repas, M., Keresteš, T. (2018). The certification mark as a new EU-wide industrial property right. *International Review of Intellectual Property and Competition Law*, 49(3), p. 310.

for the purpose of distinguishing certified and non-certified goods and services in respect of geographical origin.

### 3.3. The owner of an EU trademark

Another characteristic of an EU certification mark is the fact that any natural or legal person can own one, but only if it does not supply the products or services of the kind certified itself.<sup>78</sup> Although this seems like a limitation, it is actually an advantage for the producers of the goods and services certified. When the owner of the EU certification mark is not involved in the supply of the goods or services of the kind certified, a certain level of independence is guaranteed as the objectivity of the standards and criteria represented by the mark is preserved. If the owner of the EU certification mark is allowed to set the standards and at the same time sells the goods or services that comply with such standards, the probity of those standards would be compromised and consequently also the trust of consumers regarding the goods or services from the producer.<sup>79</sup> This characteristic regarding the owner of the EU certification mark is therefore also favourable for consumers, as the objectivity of the standards and criteria embodied in the mark guarantees a higher level of adherence of the product or service certified and thus a higher level of quality of the certified product or service. In contrast to EU certification marks, both EU individual marks and EU collective marks may be used by their owner.<sup>80</sup> This can be disadvantageous to consumers because there is a probability that certification mark owners will mislead consumers as the integrity of the standards and criteria embodied in the mark is compromised.<sup>81</sup>

Although precluding the owner of an EU certification mark from using the mark for the covered certified goods and services is an advantage to both producers and consumers, it is not necessarily an advantage for the owner of the EU certification mark. The role of the owner of the EU certification mark is limited to monitoring whether the goods and services meet the certified characteristics. The owner is even prohibited from supplying goods or services, identical to those goods or services certified, under a different trademark. However, this does not mean that the owner of an EU certification mark is not able to participate in the supply of any goods or services. The owner is allowed to perform activities on the market, but those activities should not include the supply of goods or services that are identical to those covered by the EU certification mark.<sup>82</sup> Important is the fact that the owners of EU certification marks can also be “companies that grant certificates or provide quality monitoring services”.<sup>83</sup> As EU certification marks can be used as instruments to supervise and maintain standards in a certain field of interest, it is usually trade associations which apply for EU certification marks.<sup>84</sup>

### 3.4. The user of an EU trademark

The final characteristic of EU certification marks to discuss, is about the users of the mark. In contrast to EU individual marks, neither EU collective marks nor EU certification marks identify a specific undertaking or person as the user of the mark. An EU collective mark indicates the origin of the goods and services of the members of an association and not the origin of the goods or services of a specific member or person.<sup>85</sup> The same applies for EU certification marks because an EU certification mark is used by anyone whose goods or services comply with the certified standards. The users of EU certification marks are therefore not dependent

<sup>78</sup> Article 83(2) EUTMR.

<sup>79</sup> Heavner, B.B. (2013, February). Running like clockwork: certification mark best practices after the *Swiss Watch International Case*. Retrieved from <https://www.finnegan.com/en/insights/running-like-clockwork-certification-mark-best-practices-after.html>

<sup>80</sup> Article 5 EUTMR; Article 74(1) EUTMR.

<sup>81</sup> Heavner, B.B. (2013, February). Running like clockwork: certification mark best practices after the *Swiss Watch International Case*. Retrieved from <https://www.finnegan.com/en/insights/running-like-clockwork-certification-mark-best-practices-after.html>

<sup>82</sup> Repas, M., Keresteš, T. (2018). The certification mark as a new EU-wide industrial property right. *International Review of Intellectual Property and Competition Law*, 49(3), p. 306-307.

<sup>83</sup> Repas, M., Keresteš, T. (2018). The certification mark as a new EU-wide industrial property right. *International Review of Intellectual Property and Competition Law*, 49(3), p. 307.

<sup>84</sup> Torremans, P. (2005). *Holyoak and Torremans Intellectual Property Law*, p. 394.

<sup>85</sup> Article 74(1) EUTMR.

on being members of an association, as opposed to EU collective marks.<sup>86</sup> As it can be established that both EU collective marks and EU certification marks are used by a large number of persons, it is often said that the users of EU collective marks form a club, while an 'open shop' principle applies with regard to the users of EU certification marks.<sup>87</sup> The latter is advantageous for producers as they can more easily use an EU certification mark, given that they comply with the certified standards. However, the advantage of producers regarding the 'open shop' principle is unfavourably affected by the fact that only persons authorized by the owner of the mark are allowed to use the EU certification mark.<sup>88</sup> The large number of persons that use an EU collective mark or an EU certification mark, is a disadvantage for consumers. EU collective marks empower consumers to identify goods that have certain qualities.<sup>89</sup> Nonetheless, the purpose of that is limited when it comes to establishing a link between the EU collective mark and the group that uses the mark. Moreover, EU certification marks cannot even guarantee such a link since they can be used by anyone whose goods or services meet the requirements for the use of the marks.<sup>90</sup> As it is not guaranteed that consumers can identify the exact users of an EU certification mark, the 'open shop' principle is disadvantageous to consumers.

### 3.5. Conclusion

The focus of this Chapter was on finding the advantages and limitations of EU certification marks over other 'regular' trademarks. To identify these advantages and limitations, several characteristics of EU certification marks were listed, compared to 'regular' trademarks and assessed from the viewpoint of different stakeholders. The stakeholders considered were consumers, producers and certification mark owners. Overall, each stakeholder experiences both advantages and limitations when it comes to EU certification marks. Both producers and consumers benefit from the distinguishment between certified and non-certified goods and services based on quality as well as from the preclusion of the owner of the certification mark. However, where producers do benefit from the 'open shop' principle related to the users of the mark, consumers do not. Furthermore, producers suffer from disadvantage when it comes to the distinguishment between certified and non-certified goods and services based on geographical origin. EU certification mark owners have the most disadvantage when it comes to the preclusion of the owner from using the mark for the certified goods and services covered. When looking at the comparison of EU certification marks with EU individual marks and EU collective marks, it can be concluded that each EU trademark has its advantages and limitations which advocate for its use.

<sup>86</sup> Repas, M., Keresteš, T. (2018). The certification mark as a new EU-wide industrial property right. *International Review of Intellectual Property and Competition Law*, 49(3), p. 303.

<sup>87</sup> WIPO. (2004). *Intellectual Property Handbook* [PDF], p. 69.

<sup>88</sup> Article 84(2) EUTMR.

<sup>89</sup> Waelde et al. (2014). *Contemporary Intellectual Property – Law and Policy*, p. 620.

<sup>90</sup> WIPO. (2010). Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications – *Technical and Procedural Aspects relating to the Registration of Certification and Collective Marks* [PDF], p. 5.

## 4. Voluntary certification schemes in the food sector

EU certification marks do not permit the use of the certification mark by the registered owner, provided that the registered owner carries on “a business involving the supply of goods or services of the kind certified.”<sup>91</sup> This means that businesses who want to use their national certification mark in other EU Member States, cannot apply for an EU certification mark themselves in case the product or service they want to certify is of the same category as the product or service an EU certification mark is applied for.<sup>92</sup> In order to get their product or service certified with an EU certification mark, there is the option of joining a voluntary certification scheme. This Chapter will focus on finding the advantages and limitations of EU certification marks for voluntary certification schemes in the food sector. In other words, what does the introduction of certification marks on EU level mean for voluntary certification schemes in the food sector? Several characteristics of EU certification marks will be listed and analysed to see if those characteristics are advantageous or disadvantageous for voluntary certification schemes in the food sector.

### 4.1. Advantages and limitations of certification schemes in the food sector

Not only EU certification marks have several advantages and limitations when it comes to their use, also certification schemes have several benefits and drawbacks. Certification schemes are beneficial to intermediate actors in the food supply chain by “assuring standards and thereby protecting the liability and the reputation for product and label claims.”<sup>93</sup> Moreover, certification schemes are beneficial to producers by “increasing market access, market share and product margins for certified products and also by increasing efficiency and reducing transaction costs.”<sup>94</sup> Lastly, they are beneficial to “consumers, by providing reliable and trustworthy information on product and process attributes.”<sup>95</sup> Opposite of those benefits, certification schemes also have several drawbacks. According to some stakeholders, certification schemes have the potential to mislead consumers. Moreover, when farmers have to join several schemes to meet the demands from their buyers (B2B level) they have extra costs and burdens.<sup>96</sup> In order to prevent and solve these drawbacks, the EC developed some guidelines for certification schemes for agricultural products and foodstuffs. These guidelines are mainly for scheme developers and operators and the use of these guidelines is voluntary; they do not have a legal status in the EU.<sup>97</sup>

### 4.2. Advantages and limitations of EU certification marks for voluntary certification schemes in the food sector

Since it is now clear what voluntary certification schemes entail, the positive and negative effects of EU certification marks on voluntary certification schemes in the food sector will be discussed. As stated in Chapter 4, an EU certification mark can be owned by any natural or legal person, but only if it does not supply the products or services of the kind certified itself.<sup>98</sup> It even means that the EUTMR even prohibits the owner from supplying goods or services,

<sup>91</sup> Article 83(2) EUTMR.

<sup>92</sup> Article 83(2) EUTMR.

<sup>93</sup> Chapter 1 of the EC, Commission Communication – EU best practice guidelines for voluntary certification schemes for agricultural products and foodstuffs.

<sup>94</sup> Chapter 1 of the EC, Commission Communication – EU best practice guidelines for voluntary certification schemes for agricultural products and foodstuffs.

<sup>95</sup> Chapter 1 of the EC, Commission Communication – EU best practice guidelines for voluntary certification schemes for agricultural products and foodstuffs.

<sup>96</sup> Chapter 1 of the EC, Commission Communication – EU best practice guidelines for voluntary certification schemes for agricultural products and foodstuffs.

<sup>97</sup> Chapter 1.2 of the EC, Commission Communication – EU best practice guidelines for voluntary certification schemes for agricultural products and foodstuffs.

<sup>98</sup> Article 83(2) EUTMR.



identical to those goods or services certified, under a different trademark.<sup>99</sup> Consequently, businesses who want to use their national certification mark in other EU Member States cannot apply for an EU certification mark themselves.<sup>100</sup> To get their product or service certified with an EU certification mark, there is the option of using an already existing EU certification mark owned by one person. However, this is not always possible. The owner of the EU certification mark has to submit regulations governing the use of the EU certification mark when applying for the mark.<sup>101</sup> According to Article 84(2) of the EUTMR, only persons that are authorized by the owner of the mark are allowed to use the EU certification mark.<sup>102</sup> Furthermore, they have to fulfil the requirements laid down in the regulations governing use of the EU certification mark.<sup>103</sup>

Although meeting the requirements is rather simple, it is the authorization that makes the use of another EU certification mark difficult. The owner of an EU certification mark even has the opportunity to limit the range of users, which makes it even harder for businesses to use an already existing EU certification mark.<sup>104</sup> However, there is another way for businesses to get their product certified with an EU certification mark, which is the option of joining a voluntary certification scheme. According to the guidelines set by the EC, businesses can join a voluntary certification scheme when they comply with the requirements of the scheme.<sup>105</sup> Businesses do not need authorization for joining the voluntary certification scheme and thus for using the corresponding certification mark. Overall, it will be easier for businesses to certify their product or service with an EU certification mark by joining a voluntary certification scheme than by using an EU certification mark owned by one person. The characteristic of an EU certification mark regarding its owner has therefore a positive effect on the use of voluntary certification schemes and especially the use by national businesses, who want to certify their product with an EU certification mark in other EU Member States besides their own.

Another important aspect of an EU certification mark is that they “serve to communicate adherence to certain quality standards”, since an EU certification mark is capable of distinguishing certified goods and services from non-certified goods and services based on their quality.<sup>106</sup> As discussed in Chapter 4, this is advantageous for both producers and consumers, since the requirements of consumers regarding the quality of a product or service are met when producers certify their goods and services with an EU certification mark.<sup>107</sup> These societal demands for certain characteristics of the product or its production process are also the main reason for the development of B2C voluntary certification schemes in the food sector, since it is established that certification improves the trust of consumers in food products. However, there are no legally mandated control requirements for voluntary certification schemes, which leads to the use of different control mechanisms and sometimes lack thereof. This lack of control with regard to the use of voluntary certification schemes, can mislead consumers and therefore negatively affects the trust of consumers in voluntary certification schemes.<sup>108</sup>

<sup>99</sup> Repas, M., Keresteš, T. (2018). The certification mark as a new EU-wide industrial property right. *International Review of Intellectual Property and Competition Law*, 49(3), p. 306-307.

<sup>100</sup> Article 83(2) EUTMR.

<sup>101</sup> Article 84(1) EUTMR.

<sup>102</sup> Repas, M., Keresteš, T. (2018). The certification mark as a new EU-wide industrial property right. *International Review of Intellectual Property and Competition Law*, 49(3), p. 313-314.

<sup>103</sup> Article 87 EUTMR.

<sup>104</sup> Repas, M., Keresteš, T. (2018). The certification mark as a new EU-wide industrial property right. *International Review of Intellectual Property and Competition Law*, 49(3), p. 313-314.

<sup>105</sup> Chapter 4, Paragraph 1 of the EC, Commission Communication – EU best practice guidelines for voluntary certification schemes for agricultural products and foodstuffs.

<sup>106</sup> Ringelhann, A., Martin, S. (2018). Defining the EU certification mark. *Journal of Intellectual Property Law & Practice*, 13(8), p. 625; Article 83(1) EUTMR.

<sup>107</sup> Repas, M., Keresteš, T. (2018). The certification mark as a new EU-wide industrial property right. *International Review of Intellectual Property and Competition Law*, 49(3), p. 301.

<sup>108</sup> Schebesta, H. (2017). Control in the label – self-declared, certified, accredited? On-pack consumer communication about compliance control in voluntary food schemes from a legal perspective. In: Rott, P. (Ed.), *Certification – trust, accountability, liability* (p. 143-161).

EU certification marks can be a solution to prevent consumers from being misled.<sup>109</sup> In general, consumers will understand a voluntary certification scheme for food products based on the name of the scheme or the notoriety of the brand name.<sup>110</sup> A perfect example to illustrate the understanding of consumers regarding a voluntary certification scheme, is the UTZ certification scheme. When a product is UTZ certified, the corresponding logo is shown on the product, which literally states 'UTZ certified'. By adding the textual claim 'certified' to the logo of UTZ, it enables consumers to distinguish certified goods and services from non-certified goods and services. Moreover, it induces a more accurate consumer understanding.<sup>111</sup> For consumers, on-pack information is the most important source of information. Other sources, like websites, will only be consulted when consumers want more information about food products in order to make the right choices and are thus not always sufficient to prevent consumers from being misled.<sup>112</sup> The Best Practice Guidelines for Voluntary Certification Schemes initiated by the EC are also not sufficient to prevent consumers from being misled, since these Guidelines mainly recommend disclosure of the compliance control mechanisms of food schemes on websites. For immediate purchasing decisions, this kind of information will not be considered by consumers, since it is too distant for them.

EU certification marks can overcome this distance, since they are considered capable of distinguishing certified goods or services from non-certified goods or services<sup>113</sup>. Also, the owner of the EU certification mark cannot maintain a business which supplies the same goods or services as the kind certified, which safeguards the independency of the controlling entity<sup>114</sup>. Furthermore, the person applying for the EU certification mark has to submit regulations governing the use of the EU certification mark and the EU certification mark can be refused or revoked

*"if the public is liable to be misled as regards the character or the significance of the mark."*<sup>115</sup>

All the aforementioned legal requirements of the EU certification mark, make this newly introduced trademark capable of informing consumers about the quality of a product and will thus help consumers with making an informed choice.<sup>116</sup> The use of an EU certification mark could help to prevent consumers from being misled by providing on-pack information, which is often the only information consumers use when making an informed choice. In other words, an EU certification mark can be a tool to "address the concerns of consumers about current food scheme labelling practices".<sup>117</sup> Overall, EU certification marks could have a positive effect on the use of voluntary certification schemes in the food sector. By taking away the concerns of consumers, and thus increasing their trust, about the current food scheme labelling practices, producers will use more often voluntary certification schemes which utilize EU certification marks.

Finally, EU certification marks have the characteristic that they do not have to be capable of distinguishing certified and non-certified goods or services based on geographical origin.<sup>118</sup> Although this is a disadvantage of an EU certification mark, there is another tool to distinguish

<sup>109</sup> Schebesta, H. (2017). Control in the label – self-declared, certified, accredited? On-pack consumer communication about compliance control in voluntary food schemes from a legal perspective. In: Rott, P. (Ed.), *Certification – trust, accountability, liability* (p. 143-161).

<sup>110</sup> Dekhili, S., Akli Achabou, M. (2014). Eco-labelling brand strategy: Independent certification versus self-declaration. *European Business Review*, 26(4), p. 305.

<sup>111</sup> Tang, E., Fryxell, G.E., Chow, C.S.F. (2004). Visual and verbal communication in the design of eco-label for green consumer products. *Journal of International Consumer Marketing*, 16(4), p. 86.; David, P. (1998). News concreteness and visual-verbal association: Do news pictures narrow the gap between concrete and abstract news? *Human Communication Research*, 25(2), p. 180.

<sup>112</sup> Schebesta, H. (2017). Control in the label – self-declared, certified, accredited? On-pack consumer communication about compliance control in voluntary food schemes from a legal perspective. In: Rott, P. (Ed.), *Certification – trust, accountability, liability* (p. 143-161).

<sup>113</sup> Article 83(1) EUTMR.

<sup>114</sup> Article 83(2) EUTMR; Schebesta, H. (2017). Control in the label – self-declared, certified, accredited? On-pack consumer communication about compliance control in voluntary food schemes from a legal perspective. In: Rott, P. (Ed.), *Certification – trust, accountability, liability* (p. 143-161).

<sup>115</sup> Article 84(1) EUTMR; Article 84(2) EUTMR; Article 85(2) EUTMR.

<sup>116</sup> Chon, M. (2014). Marks and more(s): Certification in global value chains. In: Calboli, I., Lee, E. (Eds.), *Trademark Protection and Territoriality Challenges in a Global Economy* (p. 79). Cheltenham, UK: Edward Elgar Publishing.

<sup>117</sup> Schebesta, H. (2017). Control in the label – self-declared, certified, accredited? On-pack consumer communication about compliance control in voluntary food schemes from a legal perspective. In: Rott, P. (Ed.), *Certification – trust, accountability, liability* (p. 143-161).

<sup>118</sup> Article 83(1) EUTMR.

products based on geographical origin, which is a 'Geographical Indication' (GI). Through the use of a GI, the trust of consumers in the certified product is enhanced and consumers will be able to distinguish quality products from products with less quality. Therefore, a GI is seen as an EU quality scheme, of which there exist many more. In addition to EU quality schemes, also certain voluntary certification schemes enable consumers to distinguish quality products.<sup>119</sup> However, when using a voluntary certification scheme utilizing an EU certification mark, quality products cannot be distinguished based on geographical origin. As a consequence, voluntary certification schemes utilizing EU certification marks cannot replace EU quality schemes regarding geographical origin. Voluntary certification schemes utilizing an EU individual mark or EU collective mark, do have the ability to distinguish quality products based on geographical origin and can be used for this purpose.<sup>120</sup> In other words, EU certification marks not being able to distinguish quality products based on geographical origin could have a negative effect on the use of voluntary certification schemes in the food sector.

### 4.3. Conclusion

The focus of this Chapter was on finding the advantages and limitations of EU certification marks for voluntary certification schemes in the food sector. To identify these advantages and limitations, several characteristics of EU certification marks were listed and analysed to see whether those characteristics are advantageous or disadvantageous for voluntary certification schemes in the food sector. Overall, EU certification marks have both advantages and disadvantages for voluntary certification schemes. It will be easier for business to certify their product or service with an EU certification mark by joining a voluntary certification scheme than by using an EU certification mark owned by one person, which has a positive effect on the use of voluntary certification schemes. Furthermore, EU certification marks are able to take away the concerns of consumers, and thus increase their trust about the current food scheme labelling practices, which could also lead to an increased use of voluntary certification schemes. However, the disadvantage that EU certification marks cannot distinguish certified and non-certified goods or services based on geographical origin could have a negative effect on the use of voluntary certification schemes.

<sup>119</sup> EC. (n.d.). Quality schemes explained. Retrieved from [https://ec.europa.eu/info/food-farming-fisheries/food-safety-and-quality/certification/quality-labels/quality-schemes-explained\\_en](https://ec.europa.eu/info/food-farming-fisheries/food-safety-and-quality/certification/quality-labels/quality-schemes-explained_en)

<sup>120</sup> Article 83(1) EUTMR; Article 4 EUTMR; Article 74(1) EUTMR.



## 5. Conclusion

The purpose of this research was to answer the research question: “*What is the potential of EU certification marks for voluntary certification schemes in the food sector?*” After analysing the legislation and theoretical information regarding EU certification marks, the following can be concluded.

The results have shown that EU certification marks and national certification marks have the same general purpose: EU certification marks serve to enhance one single market throughout the entire EU and national certification marks serve to enhance a well-functioning market within an EU Member State. This indicates that national trademark law and EU trademark law coexist and are complementary to each other.

Furthermore, the comparison of EU certification marks with EU individual marks and EU collective marks has shown that each EU trademark has its advantages and limitations which advocate for its use. When looking only at EU certification marks, the results have shown that certain characteristics of EU certification marks are not always advantageous or disadvantageous for all stakeholders. Consumers, producers and certification mark owners experience certain characteristics of EU certification marks differently. Both producers and consumers benefit from the distinguishment between certified and non-certified goods and services based on quality as well as from the preclusion of the owner of the mark. However, where producers do benefit from the ‘open shop’ principle related to the users of the mark, consumers do not benefit from this. Additionally, producers suffer from disadvantage when it comes to the distinguishment between certified and non-certified goods and services based on geographical origin. EU certification mark owners have the most disadvantage when it comes to the preclusion of the owner from using the mark for the certified goods and services covered.

Finally, the results have shown that EU certification marks have both advantages and disadvantages for voluntary certification schemes. It will be easier for businesses to certify their product or service with an EU certification mark by joining a voluntary certification scheme than by using an EU certification mark owned by one person, which has a positive effect on the use of voluntary certification schemes. Furthermore, EU certification marks are able to take away the concerns of consumers, and thus increase their trust about the current food scheme labelling practices, which could also lead to an increased use of voluntary certification schemes. However, the disadvantage that EU certification marks cannot distinguish certified and non-certified goods or services based on geographical origin could have a negative effect on the use of voluntary certification schemes.

Overall, it can be concluded that there is definitely potential for EU certification marks to be used in voluntary certification schemes in the food sector. However, this conclusion should be supported with practical evidence, obtained in a few years from now when the use of EU certification marks has progressed.

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