

## **PROTECTED FOOD NAMES: STAFFORDSHIRE CHEESE**

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### **Introduction**

1. You have asked for advice on the co-existence on the market of 'Staffordshire Cheese', which is registered as a Protected Designation of Origin (PDO), and 'Staffordshire Organic Cheese'. You set out some possible options for legal comment in your helpful background note of 29 January 2008 (see paragraph 8) which we discussed on 27 February.

### **The issue**

2. Staffordshire Organic Cheese has been marketed, by a different producer than the PDO cheese, since 1983. The two cheeses co-existed prior to the registration of Staffordshire Cheese as a PDO, and continue to be marketed now under their respective names by the two producers involved, with no apparent confusion for consumers. When registration of Staffordshire Cheese as a PDO was originally applied for, the producer of Staffordshire Organic Cheese did not fully appreciate the implications of registration and then made no objection. I understand that in part this was due to the administrative arrangements then in place for publicising the proposed application, which have since been strengthened.
3. However, it now seems desirable that the position on the co-existence of the two cheeses is clarified, both to avoid any future challenge by the current or future producers of the PDO cheese to the use of the Staffordshire Organic Cheese name and to facilitate the task of enforcement officers of the nominated inspection body, Staffordshire Trading Standards Department.
4. I have set out the legal background to the Staffordshire Cheese PDO at Annex A.

### **Summary**

5. I think that the most straightforward amendment option to choose would be to amend the labelling section of the PDO specification as proposed in Option 1(c) along the lines of the wording you suggested (see paragraphs 8 and 20). Amending the PDO specification to incorporate both cheeses or limiting its geographical area, as in Options 1(a) and 1(b) may prove too problematic (see paragraphs 10-19).

6. I think it unlikely that formal recognition that the two products are different (Option 2(a)) will be possible without, in any case, going through the amendment procedure. If Article 14(2) of Regulation 510/2006 applies to the organic cheese (and there seems to be a case for this), its directly applicable effect could be relied on in the event of challenge, hence it does not have its own formal recognition procedure. It may, however, be formally recognised during the initial application procedure for registration or when objections are made. As this did not happen in this case, formal recognition of the application of Article 14(2) may be possible during the amendment procedure and could potentially be combined with Option 1(c). Although a 'comfort letter' could be sought, this may be difficult to obtain and will not of itself prevent a future challenge (see paragraphs 21 to 29).
7. However, as an alternative to amendment, Staffordshire Organic Cheese could probably warrant a separate application for registration as in Option 2(b), although further information would be required to ensure that the specification for that cheese with regard to *inter alia* geographical area, sourcing of raw materials and method of production is indeed sufficiently different (see paragraphs 30-32). Both amendment and registration require a very similar procedure and could take considerable time.

#### **Possible options for co-existence of the cheeses**

8. Your note proposes two main solutions, which you say have been discussed by the two parties involved and by the inspection body. These are:

##### Option 1: To amend the PDO specification by:

(a) incorporating the organic cheese into the PDO specification so it is also covered; or

(b) amending the name of the PDO to, for example, Staffordshire Moorlands (the area in which the cheese was first made) and restricting the area of production to the Moorlands area of the county; or

(c) inserting some wording into the labelling section of the PDO specification along the following lines:

*'that protection of the name Staffordshire Cheese was without prejudice to the continued use of the term "Staffordshire Organic Cheese" provided that this cheese is produced in Staffordshire and that the use of that term in the labelling is made in such a way as to avoid misleading consumers in relation to the PDO'.*

##### Option 2: To accept that the two products are different by:

(a) obtaining some sort of formal recognition/statement of this position without the need for amendment; or

(b) making a separate application to register Staffordshire Organic Cheese as a PDO or a Protected Geographical Indication (PGI).

### Option 1: Amending the PDO specification

9. I have set out the general procedure for amending a PDO specification at Annex B. In my view, the three options for amendment which you suggest would all entail non minor amendments being made to the summary of the specification because they affect in each case elements which must be contained therein: i.e. the description of the product, its method of production, its name, link or labelling. Therefore the procedure under Article 9(2) of Regulation 510/2006 will apply. The amendment process will therefore take some time, possibly several years. I will now consider the proposed amendment options in turn.

#### Option 1(a): incorporating the organic cheese into the PDO specification

10. For this option, both producers would presumably be required to apply as a group to amend the specification. The first obstacle would be to persuade them to do so. If only one producer was willing, I understand that Article 2 of Regulation 1898/2006 would need to be satisfied and the proposed amendments to the specification may mean that it would be difficult to satisfy Article 2(b).

11. Furthermore, Article 5(1) of Regulation 510/2006 states that members of a group must be working with the "same" agricultural product or foodstuff and Article 5(2) that a group may only lodge a registration application for the agricultural products or foodstuffs which it produces or obtains. Although both products fall into Class 1.3 Cheeses (see Annex II of Regulation 1898/2006) there are significant differences between them.

12. As you point out, sourcing of raw materials and the method of production are different for the two cheeses. The PDO cheese is made from pasteurised milk sourced from Staffordshire farms whereas the organic cheese is made from organic and unpasteurised milk much of which comes from outside Staffordshire.

*Soured*  
① 13. The published specification for Staffordshire Cheese focuses on the fact that it "is made from milk from cows kept on Staffordshire farms" and "may be sourced from any Staffordshire farm". There follows a detailed method of production which *inter alia* states that "This milk/cream mixture is pasteurised..." and that special moulds and muslin cloths are used for the salted cheese curds. The 'link' section states that this application is a revival of a traditional cheese dating back to Cistercian monks which was lost to wartime food supply policy. It emphasizes that it is the "warm, wet, westerly climate and a carboniferous limestone terrain, producing lush grazing pasture which produces the creamy milk that gives the cheese its character" and that "Staffordshire Cheese differs from other varieties of cheese made in surrounding counties because of the distinctive nature of the cows diet, the

*mixture of starter cultures used and the size of the cloth bound cheese which creates a particular type of body and texture in the final product..."*

14. The lack of pasteurisation for the organic cheese may be able to be accommodated for in the specification to provide for the two types of cheeses - presumably historically the cheese was not pasteurised anyway – if the rest of the method of production was largely the same. Again, this will depend on the facts.

15. It seems to me that for the amended specification to fit with the 'link' in the current PDO specification and satisfy Article 2(1)(a) of Regulation 510/2006, the sourcing of milk and production for the organic cheese would need to be limited to within Staffordshire – it may well be that the organic producer is either unwilling or unable for reasons of supply to do so. Had the designations in question been recognised as designations of origin in the UK before 1 May 2004, it might have been possible to get round this requirement by applying Article 2(3)<sup>1</sup> of Regulation 510/2006. However, I understand that this is not the case. If sourcing of milk and production cannot be limited to Staffordshire, then the geographical area and the link in the specification would need to be substantially redefined. This may mean that it is more suitable for a Protected Geographical Indication (PGI)<sup>2</sup>, rather than a PDO.

②  
provide  
sourcing  
PGI

16. Similarly, having a number of varieties of the product may be more suitable for a PGI. For example, for "Bayerisches Bier", a PGI, it seems acceptable to have several varieties of beer within the same type of product for which the geographic indication is used as long as they are established in that area and use the particular method of production described in the specification<sup>3</sup>.

17. Nevertheless, even if the sourcing and method of production obstacles can be overcome within the specification, these factors may well give rise to objections from those persons having a legitimate interest under Article 5(5) or Article 7 of Regulation 510/2006. To conclude, this option appears to be rather problematical.

Option 1(b): to amend the name of the PDO to Staffordshire Moorlands and restrict the area of production to the Moorlands area of the county

18. This option is more straightforward but may in practice be too restrictive. I understand that it is the preferred option of the organic producer. However, the current PDO producer would need to be willing or persuaded to make the application and this may depend *inter alia* on whether he is (a) situated

<sup>1</sup> Article 2(3), which applies to milk, states that notwithstanding Article 2(1)(a), certain geographical designations shall be treated as designations of origin where the raw materials for the products concerned come from a geographical area larger than, or different from, the processing area where (a) the production area of the raw materials is defined; (b) special conditions for the production of the raw materials exist; and (c) there are inspection arrangements to ensure that the conditions referred to in (b) are adhered to.

<sup>2</sup> In brief, a PDO product must generally be produced and processed and prepared in the geographical area and its quality or characteristics must be essentially due to that area. A PGI product must be produced or processed or prepared in the geographical area and its specific quality, reputation or other characteristics must be attributable to that area.

<sup>3</sup> See paragraphs 88-92 of Observations Ecrites du Conseil dans l'affaire préjudicielle C-343/07.

in the Moorlands area and (b) willing and able to restrict his sourcing and production to it.

19. Whether or not the application will attract objections will depend on similar issues from potential future producers (or indeed other interested parties). In this regard, I understand from our discussion that the current PDO producer has been actively spreading the word about the PDO scheme and has been giving courses in Staffordshire on making the cheese in the traditional way. This may mean that future producers could be based outside the Staffordshire Moorlands area. Obviously, the change of name will also require changes in labelling for the PDO producer and attract the associated costs.

Option 1 (c): to insert some wording into the labelling section of the PDO specification

20. This appears at first glance to be the most trouble-free option and the Commission are more likely to see it as a Member State resolving a particular problem in its own territory. As you state, there is already a precedent in the specification for "Scottish Farmed Salmon", a PGI registered further to Commission Regulation (EC) No 1437/2004<sup>4</sup>, although it should be noted that this was an initial application rather than an amendment. With regard to the wording, I think it important that (i) it includes "the applicant declares" prior to the paragraph and (ii) that the name of the organic cheese stays exactly as it is i.e. 'Staffordshire Organic Cheese', without changing the word order; if 'Organic' appears at the beginning, this is likely to be misleading and evoke the PDO name (see Article 13(1)(b) of Regulation 510/2006). If any changes in labelling of the PDO cheese are required, this would attract certain costs. As this option is basically a confirmation of the status quo, it is in my view less likely to attract objections.

Option 2 (a): to accept that the two products are different and obtain some sort of formal recognition/statement of this position without the need for amendment

21. Your aim here is to avoid the need to amend the specification, but in practice this may be difficult to achieve.
22. From the outset, I would rule out using Article 13(4) of Regulation 510/2006 as the conditions are not met. This provides for the Commission to allow, under the procedure in Article 15(2), the co-existence for a maximum of 15 years of a registered name and an unregistered name designating a place<sup>5</sup>.

<sup>4</sup> Commission Regulation (EC) No 1437/2004 of 11 August 2004 (OJ L 265, 12.8.2004, p.3-4). The wording of the labelling section of that specification included

"In order to avoid discrimination against Scottish Wild Salmon interests, the applicants declare that the continued use of the terms "Scottish Smoked Wild Salmon" and/or any other combination of the terms "Scottish" and "Salmon" in connection with wild salmon shall in no way be affected, provided that these wild salmon are fished in Scotland and that the use of these terms in the labelling are made in such a way as to avoid misleading consumers in relation to the Protected Geographical Indication."

<sup>5</sup> I understand from our discussion that Article 13(4) of Regulation 510/2006 was originally introduced to address a particular case (Munster cheese).

23. You suggest that a basis for obtaining formal recognition could be drawn from Article 14 of Regulation 510/2006. Under Article 14(1) once a PDO has been registered, a member state may not register a trade mark which would infringe the extended protection given by Article 13. Article 14(2) provides savings for existing trademarks. It covers the possibility of co-existence of similar names where one is an established trademark and the other is a PDO. It applies when one of the situations referred to in Article 13<sup>6</sup> corresponds to the trademark and the trademark has either been applied for, registered or established by use if that possibility is provided for by the legislation concerned before 1 January 1996, or the date of protection of the designation of origin, and does not have any grounds for its invalidity or revocation.
24. I understand that Staffordshire Organic Cheese is not a registered trademark<sup>7</sup>. Therefore, for Article 14(2) to apply to it, the organic cheese must be a trademark established by use by the relevant date, as well as satisfying the other conditions. If this is the case, it could rely on the directly applicable effect of Article 14(2) without the need for further action. This could be raised as a defence if a challenge was brought.
25. Trademark rights in the UK arise either through registration<sup>8</sup> under the Trade Marks Act 1994<sup>9</sup> ("the 1994 Act") or under the common law, ie, from use of the brand in question under the tort of passing off. Although s.2(2) of the 1994 Act provides that no proceedings lie either to prevent or recover damages for the infringement of an unregistered trade mark, it does indirectly recognise unregistered trade marks for certain purposes. In particular, s.2(2) confirms that nothing in the 1994 Act affects the law relating to passing off. Therefore, it seems to me that the 1994 Act does allow for trademarks established by use. In case of challenge, there could be a good arguable case for the Staffordshire Organic Cheese to rely on its common law rights - especially as I understand Staffordshire Organic Cheese has been marketed since 1983, prior to the PDO - although the organic producer would need to seek its own legal advice on this point. Direct reliance on Article 14(2) protection may be sufficient.
26. However, if it is felt, either by the organic producer or Staffordshire Trading Standards Department that direct reliance on Article 14(2) is insufficient and

<sup>6</sup> In this case, Article 13(1)(b) may apply.

<sup>7</sup> Indeed, under s.3(1)(c) of the 1994 Act an ordinary trade mark, i.e. one which enable goods or services of one undertaking to be distinguished from those of other undertakings, which consists of a sign indicating the geographical origin of the proprietor's goods or services cannot be registered (geographical origins are considered descriptive and therefore unprotectable).

<sup>8</sup> As ordinary trademarks or collective marks (the latter owned by an association of members rather than a single undertaking - see also s.1(2), s.49 and Schedule 1 to the 1994 Act). Although geographical signs can be registered as collective marks, by virtue of paragraph 3(1) of Schedule 1 to the 1994 Act, their registration is subject to the PDO/PGI regime set out in Regulation 510/2006 and Regulation 1898/2006. NB: The Judgment in the *Warsteiner Brauerei* case C-312/98 held that Council Regulation 2081/92 does not preclude the application of national legislation which prohibits the potentially misleading use of a geographical indication of source in the case of which there is no link between the characteristics of the product and its geographical provenance.

<sup>9</sup> The Trade Marks Act 1994 implemented Council Directive No. 89/104/EEC (OJ L 40, 11.2.1989, p. 1-7) and made provision in connection with Council Regulation (EC) No. 40/94 (OJ L 11, 14.1.1994, p.1) as well as certain other international agreements.

that formal recognition of its applicability remains desirable, this could possibly be done by way of obtaining a 'comfort letter' from the Commission. However, it may be difficult to obtain such a letter which would arguably go against the spirit of the legislation insofar as it provides for transparent procedures. This approach may also be considered unsatisfactory as it does not necessarily prevent a future challenge to the use of the Staffordshire Organic Cheese name.

27. As I have not been able to identify a separate procedure for relying on Article 14(2) (assuming its applicability) I think that the only alternative for its formal recognition would be via the amendment procedure - this takes us back to Option 1. However, I am not aware of an amendment being made on this basis. Indeed, the precedent you mention, "Bayerisches Bier", was registered under the accelerated registration procedure in Article 17 of Regulation 2081/92<sup>10</sup>. Registration of the name was complex and took more than seven years. It resulted in the repeal of Article 17 for lack of transparency and recognition in the recitals (aka "Whereas" section) to the registration Regulation of "Bayerisches Bier"<sup>11</sup> that

*"The use of certain trade marks, for example, the Dutch mark "Bavaria" and the Danish trade mark "Høker Bajer" may continue notwithstanding the registration of the geographical indication "Bayerisches Bier" as long as they fulfil the conditions provided for in Article 14(2) of Regulation (EEC) No 2081/92."*

28. Assuming Article 14(2) can be raised in the amendment procedure, any amendments to the specification (such as in Option 1(c) and/or other technical changes deemed necessary) could be linked to/combined with Article 14(2) with a request that wording similar to that in the Bayerisches Bier precedent be included in the recitals to the amended designation.

29. If, however, the main concern about clarification emanates from Staffordshire Trading Standards Department rather than the producers themselves, it may be worthwhile, in the first instance, discussing the issue with LACORS so that they could give an overarching view on the application of Article 14(2) and the co-existence of the cheeses.

Option 2(b): make a separate application to register Staffordshire Organic Cheese as a PDO or PGI.

30. Staffordshire Organic Cheese appears to be sufficiently different from Staffordshire Cheese to warrant a separate application, both for the reasons mentioned in paragraphs 10-17 above and possibly also with regard to its method of production, but further information would need to be obtained to establish this.

<sup>10</sup> This provided that for a period of six months of entry into force of Regulation 2081/1992, Member States could inform the Commission which of their legally protected names, or in Member States where there was no protection system which names were established by usage, they wished to register pursuant to the Regulation. The Article 7 objection procedure did not apply but in this case Member States were asked for information about the possible generic status of the name.

<sup>11</sup> Council Regulation (EC) No 1347/2001 of 28 June 2001 (OJ L 182, 5.7.2001, p.3-4)

31. The procedure under Articles 5, 6 and 7 of Regulation 510/2006 (as outlined in Annex B), is required when making a separate application for registering a product as a PDO/PGI and the relevant provisions of Regulation 1898/2006 would need to be complied with. Once the application is made, the UK could, under Article 5(6) of Regulation 510/2006 grant protection to the name on a transitional basis at national level, as long as it has no effect on intra-Community or international trade. Such protection will cease on the date on which a decision on registration is taken. Obviously, the specification in the application would have to satisfy Article 2(1)(a) or (b).
32. As such an application can only be made by a 'group' which works with, produces or obtains the agricultural product under Article 5(1) and (2), the producer would need to be persuaded that it is worthwhile to make the application. It may be a consideration for him that an application could help him avoid challenge on his use of the name in the future, but this is a matter for him.
33. I am happy to discuss.

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## **Annex A**

### **Legal background to the registration of Staffordshire Cheese as a PDO**

1. The initial application for registration of Staffordshire Cheese as a PDO was made under the procedures laid down in Council Regulation (EEC) No 2081/92<sup>12</sup> (as amended)) and the detailed rules made under it, namely Commission Regulation (EEC) No 2037/93<sup>13</sup> and Commission Regulation (EC) No 383/2004<sup>14</sup>, both of which were repealed and replaced by Commission Regulation (EC) No 1898/2006<sup>15</sup>.
2. The application was made by a single producer, The Staffordshire Cheese Company, deemed as a 'group' within the meaning of Article 5 of Regulation 2081/92 by virtue of Article 1 of Regulation 2037/93.
3. Article 17(2) of Regulation 510/2006<sup>16</sup>, which repealed and replaced Regulation 2081/92, laid down transitional provisions for applications received by the Commission prior to Regulation 510/2006 coming into force. These meant both that the procedures in Article 5 of Regulation 510/2006 did not apply to the application, without prejudice to Article 13(3), and the summary of the specification which had been drawn up in conformity with Regulation 383/2004 could replace the single document referred to in Article 5(3)(c) of Regulation 510/2006.
4. The application to register Staffordshire Cheese was published on 24 June 2006<sup>17</sup> pursuant to Article 6(2) of Council Regulation (EC) No 510/2006. A right to object was conferred under Article 7 and a statement of objection to the application was lodged with the Commission<sup>18</sup> but was subsequently withdrawn. The requirements of Regulation 510/2006 having been met, Staffordshire Cheese became a registered PDO by virtue of Commission Regulation (EC) No 1067/2007<sup>19</sup> with effect from 8 October 2007 and now enjoys the protection under Article 13 of Regulation 510/2006.

<sup>12</sup> Council Regulation (EEC) No 2081/92 of 14 July 1992 (OJ L 208, 24.7.1992, p.1). This was repealed and replaced by Regulation 510/2006 – see Footnote 16 below.

<sup>13</sup> Commission Regulation (EEC) No 2037/93 of 27 July 1993 (OJ L 185, 28.7.1993, p.5-6).

<sup>14</sup> Commission Regulation (EC) No 383/2004 of 1 March 2004 (OJ L 64, 2.3.2004, p. 16-20).

<sup>15</sup> Commission Regulation (EC) No 1898/2006 of 14 December 2006 (OJ L 369, 23.12.2006, p. 1-19)

<sup>16</sup> Council Regulation (EC) No 510/2006 of 20 March 2006 (OJ L 93, 31.3.2006, p. 12-25).

<sup>17</sup> (OJ C 148, 24.6.2006).

<sup>18</sup> I do not have details of the objection but understand it was not from the producer of Staffordshire Organic Cheese.

<sup>19</sup> Commission Regulation (EC) No 1067/2007 of 17 September 2007 (OJ L 243, 18.9.2007, p. 21-21).

## **Annex B: Amendment procedure for PDOs/PGIs**

1. Article 9 of Regulation 510/2006 covers approval of changes to specifications. Article 16 of Regulation 1898/2006 provides that an application for approval of changes to the product specification must be drawn up in accordance with Annex VI to that Regulation and lays down the detailed procedure.
2. Article 9 of Regulation 510/2006 provides that a group satisfying the conditions of Article 5(1) and (2) and having a legitimate interest may apply for approval of an amendment to a specification. A single producer, may make the application by virtue of Article 2 of Regulation 1898/2006 where it satisfies certain conditions.<sup>20</sup> In examining such an application, the Commission will want to ensure that it is sufficiently transparent and does not limit competition too much so as to protect the single producer or give him a monopoly position.
3. There are two separate procedures under Article 9 of Regulation 510/2006 for obtaining approval of changes to specifications, depending on whether or not one or more amendments are made to the single document as per Article 5(3)(c) or, as in this case, to the summary of the specification (see paragraph 3 of Annex A).
4. Under Article 9(3), where no changes are made to the single document, the Member State<sup>21</sup> only needs to express its position on the approval of the amendments and if in favour publish the amended specification and inform the Commission of the amendments approved and the reasons for them.
5. Under Article 9(2), where amendments are made (and are non minor<sup>22</sup>), the procedure laid down in Articles 5, 6 and 7 applies. In brief, this means that the applicant 'group' must make its application to the Member State and provide the relevant documents. The Member State then has to scrutinise the application and initiate a national objection procedure to enable parties with a legitimate interest, established or resident, to object within a reasonable period. If after consideration of any admissible objections, the Member State is not in favour, it must reject the application. If in favour, it must publicise its position, enable an appeals procedure and then forward the documents listed in Article 16(2) of Regulation 1898/2006 to the Commission.
6. The Commission will then scrutinise the application within 12 months and either reject the application following the procedure in Article 15(2), or if in favour, publish the amended single document/summary in the Official

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<sup>20</sup> The conditions under Article 2 are (a) the person concerned is the only producer in the defined geographical area willing to submit an application; and (b) the defined geographical area possesses characteristics which differ appreciably from those of neighbouring areas or the characteristics of the product are different from those produced in neighbouring areas.

<sup>21</sup> Defra is the competent authority for the UK.

<sup>22</sup> See Article 16(4) of Regulation 1898/2006.

Journal. It must also allow for objections (which must satisfy Article 7(3)<sup>23</sup>) for six months from the date of publication, check their admissibility, consult and try to reach agreement. If the objections are resolved or there are none, the Commission will publish its favourable decision in the Official Journal and the name will be entered on the register. If the objections are unresolved then the final decision on registering the product is taken by the EU Standing Committee.

7. The Commission can decide on a shorter procedure where the proposed amendments are minor which leaves out the objection procedure under Article 7 and goes straight to publication.

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<sup>23</sup> Article 7(3) provides that statements of objection shall be admissible if they (a) show non-compliance with the conditions referred to in Article 2; or (b) show that the registration of the name proposed would be contrary to paragraphs 2, 3 and 4 of Article 3 [i.e. that the name may conflict with names of plant varieties or animal breeds, is a homonym with another registered name or where registration is liable to mislead the consumer as to the true identity of another trademark] or (c) show that the registration of the name proposed would jeopardise the existence of an entirely or partly identical name or of a trademark or the existence of products which have been legally on the market for at least five years preceding the date of publication provided for in Article 6(2) or (d) give details from which it can be concluded that the name for which registration is requested is generic within the meaning of Article 3(1).

