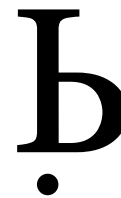


# IP Report

## Protection of designations of origin



BARDEHLE  
PAGENBERG

---

### Court of Justice of the European Union: “Champagne Sorbet” does not infringe “Champagne” if the sorbet contains Champagne and has a taste attributable primarily to the presence of that ingredient

Reported by Professor Dr. Alexander von Mühlendahl, J.D. LL.M.

---



*Professor Dr.  
Alexander von  
Mühlendahl, J.D. LL.M*

**In its judgment of 20 December 2017 (C-393/16) concerning the use of “Champagner Sorbet”, the Court of Justice of the European Union (CJEU) established, for the first time, principles for the use of a protected designation of origin as part of the name of a foodstuff containing as an ingredient a product for which a designation of origin is protected. According to the judgment, the use of “Champagne Sorbet” is lawful if the sorbet has, as one of its essential characteristics, a taste attributable primarily to the presence of that ingredient in the sorbet.**

#### Background

“Champagne” is a designation of origin protected under the provision of European Union law for the protection of designations of origin and geographical indications for wines. The Comité Interprofessionel du Vin de Champagne (“Comité”), an association of Champagne producers, is active, *inter alia*, in pursuing infringements of the designation of origin “Champagne”.

At the end of 2012, the German discount retailer Aldi Süd began to sell a frozen product under the name “Champagner Sorbet”, which was produced by the Belgian company Galana NV (“Galana”). This product contained 12 % of Champagne. The Comité brought an action against Aldi

Süd, seeking injunctive relief. The Comité argued that “Champagne” as a protected designation of origin enjoyed absolute protection and entitled it to prohibit the use of “Champagne” as part of the product name “Champagne Sorbet” even if that product actually contained Champagne. Galana intervened on behalf of Aldi Süd. The Munich District Court enjoined the use in its judgment of 13 April 2014 (33 O 13181/13). The Munich Court of Appeal reversed only six months later (29 U 1698/14).

#### Reference to the Court of Justice

The Comité appealed to the German Federal Supreme Court, with leave to appeal having been granted by the Court of Appeal. By decision of 2 June 2016 (I ZR 268/14), the Federal Supreme Court referred a number of questions to the CJEU for a preliminary ruling. The questions principally were

- whether the provisions on the protection of designations of origin are applicable to the use of the designation as part of a product name when that product actually contains an ingredient for which the designation of origin is protected, and
- whether – in case of an affirmative answer – such a use is permitted at all and if so under which conditions.

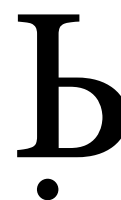
BARDEHLE PAGENBERG  
Partnerschaft mbB  
Patentanwälte Rechtsanwälte

Prinzregentenplatz 7  
81675 Munich  
T +49.(0)89.928 05-0  
F +49.(0)89.928 05-444  
info@bardehle.de  
www.bardehle.com

ISO 9001 certified

# IP Report

## Protection of designations of origin



BARDEHLE  
PAGENBERG

In the proceedings before the Federal Supreme Court, only Galana appeared as party defendant. Before the CJEU, the Comité and Galana submitted observations. In addition, the European Commission as well as the French and Portuguese governments also submitted observations. In the hearing on 18 May 2017 the parties presented oral arguments, as did the Commission and the French government. The Advocate General presented his Opinion on 20 July 2017.

### The decision of the Court of Justice

In its judgment of 20 December 2017 (Second Chamber, M. Ilešič, Presiding Judge, E. Jarašiūnas, Rapporteur, Advocate General M. Campos Sánchez-Borbona), the CJEU confirmed the application of the provisions for the protection of designations of origin and geographical indications to the kind of use in the case before the court. The decisive issue thus was whether the use of “Champagne” could be prohibited “(...) in so far as such use exploits the reputation of a designation of origin (...)”

In this respect, the CJEU, first of all, rejected the position of the Comité that the protection granted under these provisions was absolute. Rather, the Court, relying on its earlier case law concerning “Cognac” (Joined Cases C-4/10 and C-27/10) and in particular on the Commission “Guidelines on the labelling of foodstuffs using protected designations of origin or protected geographical indications as ingredients” (OJ 2010 C 341, p. 3), stated the following:

It follows that the use of a protected designation of origin as part of the name under

which is sold a foodstuff that does not correspond to the product specifications for that designation but contains an ingredient which does correspond to those specifications cannot be regarded, in itself, as an unfair use and, therefore, as a use against which protected designations of origin are protected in all circumstances by virtue of [the applicable provisions of EU law]. As a consequence, it is for the national courts to determine, in the light of the particular circumstances of each individual case, whether such use is intended to take unfair advantage of the reputation of a protected designation of origin.

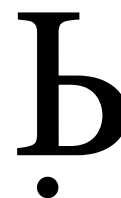
The CJEU thus held that the “exploitation” must be “unfair”. In line with what Galana had submitted, the CJEU continued by rejecting the notion that the “fairness” should be judged by taking into account the practice of the relevant public, a notion also supported by the German Federal Supreme Court which had concluded that there was no evidence before the lower courts that the use had been made not only in cook books and similar reference works, but also by commercial producers of such a product.

According to the CJEU, the justification or fairness of the use of a designation of origin like “Champagne” as a product name containing Champagne as an ingredient depends on whether the ingredient confers on the foodstuff one of its essential characteristics. The Court continues as follows:

**51** As to whether the ingredient in question confers on the foodstuff concerned one of its essential characteristics, the quantity of that ingredient in the overall composition of the foodstuff is a significant but not, in itself, a

# IP Report

## Protection of designations of origin



BARDEHLE  
PAGENBERG

sufficient factor. Whether that is the case depends on the products concerned and entails a qualitative assessment. In that regard, (...) it is not a question of identifying in the foodstuff the essential characteristics of the ingredient protected by a designation of origin but of establishing that that foodstuff has an essential characteristic connected with that ingredient. That characteristic will often be the aroma or taste imparted by that ingredient.

**52** Where the name of the foodstuff indicates, as in the main proceedings, that it contains an ingredient protected by a designation of origin, which is intended to convey the taste of the foodstuff, the taste imparted by that ingredient must constitute the essential characteristic of that foodstuff. If the

taste of the foodstuff is more attributable to other ingredients it contains, the use of such a name will take unfair advantage of the reputation of the designation of origin concerned. Thus, in order to determine whether the champagne contained in the product at issue in the main proceedings confers on it one of its essential characteristics, the national court must ascertain, in the light of the evidence before it, whether the taste of the product is attributable primarily to the presence of champagne in the composition of the product.

---

### Remarks

---

BARDEHLE PAGENBERG  
(Dr. Henning Hartwig, Professor Dr.  
Alexander von Mühlendahl, J.D., LL.M.)  
represented Galana NV. We therefore  
abstain from commenting the decision. It  
now remains to be seen how the German  
Federal Supreme Court will proceed.