General Court of the European Union PRESS RELEASE No 53/15

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Press and Information

Judgment in Case T-51/14 Czech Republic v Commission

The dairy spread known as 'pomazánkové máslo' may not be registered as a traditional speciality guaranteed

The regulation on quality schemes for agricultural products and foodstuffs does not allow a Member State to circumvent the rules on trade names laid down in the single CMO regulation

According to the single CMO regulation,¹ only products with a milk-fat content of not less than 80% but less than 90%, a maximum water content of 16% and a maximum dry non-fat milk-material content of 2% may be sold under the designation 'butter'. That rule does not, however, apply to the designation of products whose exact nature is clear from traditional usage. The products covered by that derogation appear in a list drawn up by the Commission.

'Pomazánkové máslo' is a product similar to butter, used as a spread, and also as a component in the manufacture of other food products. This product, marketed chiefly in the Czech Republic, has a minimum fat content of 31% by weight, a minimum dry material content of 42%, and a water content of up to 58%.

In infringement proceedings in which the Commission complained that the Czech Republic had allowed that product to be marketed under the name 'pomazánkové máslo' (butter spread), the Court of Justice found that that product could not be classified as butter and might not, consequently, be sold under that name. It held, therefore, that the Czech Republic had failed to fulfil its obligations.²

Nevertheless, so that it could go on using the name 'pomazánkové máslo' for the product in question, the Czech Republic applied to the Commission for recognition of the product as a traditional speciality guaranteed ('TSG'), taking the view that the criteria laid down in the single CMO regulation did not apply to TSG. The TSG system, provided for by the 'quality scheme' regulation,³ permits registration of, in particular, foodstuffs produced using traditional raw materials or by a traditional type of production.

The Commission rejected the Czech Republic's application on the grounds that the registration sought by that State would infringe the single CMO regulation.

The Czech Republic seeks annulment of that refusal before the General Court, arguing inter alia that the two regulations, because they are both intended to provide consumers with information about the properties of a product thanks to its designation, constitute alternative methods of registering designations of agricultural products.

In today's judgment, the General Court has found, first, that the 'quality scheme' regulation expressly provides that its provisions must not prejudice the application of the single CMO regulation.

¹ Council Regulation (EC) No 1234/2007 of 22 October 2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (OJ L 299, p. 1).

² <u>C-37/11</u> Commission v Czech Republic see also Press Release No. <u>132/12</u>.

³ Regulation (EU) No 1151/2012 of the European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products and foodstuffs (OJ L 343, p. 1).

Next, the Court observes that the products enjoying the derogation provided for by the single CMO regulation are set out in an exhaustive list in which 'pomazánkové máslo' does not, however appear. In that regard, it finds that application of a derogation from the single CMO regulation is possible only for products whose real nature cannot be confused with that of products whose designation is protected by that regulation.

In that context, the Court emphasises that to permit a Member State to use the TSG system in order to circumvent the provisions of the single CMO regulation would compromise the standardisation of the use of the commercial names of agricultural products and, consequently, the objective of preserving competition and protecting consumers.

Moreover, the Court notes that the quality scheme regulation allows the use of a name registered as a TSG only for a product that meets the marketing standards laid down in the single CMO regulation. The former regulation, whose objective is to help the producers of traditional products to sell their goods and to inform consumers of the traditional nature of those goods, does not envisage the establishment of a system of marketing standards, parallel and alternative to that introduced by the single CMO regulation.

In those circumstances, the Court has dismissed the action brought by the Czech Republic.

NOTE: An appeal, limited to points of law only, may be brought before the Court of Justice against the decision of the General Court within two months of notification of the decision.

NOTE: An action for annulment seeks the annulment of acts of the institutions of the European Union that are contrary to European Union law. The Member States, the European institutions and individuals may, under certain conditions, bring an action for annulment before the Court of Justice or the General Court. If the action is well founded, the act is annulled. The institution concerned must fill any legal vacuum created by the annulment of the act.

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The <u>full text</u> of the judgment is published on the CURIA website on the day of delivery

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