



European drinks company gets proper protection for trademarked products

Market Access Partnership helped to remove a barrier in Kazakhstan, protecting key European geographical indications from imitations.

Our company

Created in 1975 by the merger of Ricard and Pernod, the Pernod Ricard group has gradually grown to become the world's co-leader in the wines and spirits industry. It now includes the most comprehensive portfolio of premium brands in the sector.

Our company has more than 18,000 employees worldwide and operates through more than 85 affiliates and 100 production sites. Pernod Ricard is strongly committed to a sustainable development policy and promotes responsible drinking.

Trade in a free and fair global environment is essential for the growth of our company

Being able to trade in a free and fair global environment is essential for the growth of our company. It helps to create jobs in Europe, to enlarge our footprint around the world and to boost investment, including opening up new production and distribution facilities in EU countries.

The majority of our key brands are protected by geographical indications, meaning that we cannot, and indeed do not want to, relocate our production to third countries. It also means that we rely on EU trade policy to open up markets and to address market access barriers. Thanks to the increasingly important element of EU trade policy, the Market Access Partnership, which brings the European Commission and Member States together with our European association - spiritsEUROPE - , we are able to quickly report any barriers we face. In recent years, our company enjoyed considerable benefits from the resolution of trade barriers in our export markets.

Market Access case study: A new barrier in Kazakhstan

Intellectual property protection is key for our wines and spirits to effectively market them in third countries. Kazakhstan has a trademark protection regime, which prohibits the introduction of goods on the market without the consent of the trademark right holder. It's called regional exhaustion principle and it is similar to the one applicable in the EU. Unfortunately, for a number of years, Kazakhstan did not enforce it correctly.

It was a significant barrier to the development of our business in Kazakhstan, a rapidly growing market for Pernod Ricard. We could not count on legal certainty and predictability, which is very important in business.

Now resolved under the EU's Market Access Partnership

We brought this issue to the EU's Market Access Advisory Committee, which triggered a quick action through the European Commission and Member States, in particular France and the UK. As a result of EU action raising this barrier with Kazakhstan on several occasions in the framework of the Market Access Strategy and following the adoption of the Enhanced Partnership and Cooperation Agreement (EPCA), Kazakhstan corrected the interpretation. As a result, we now have the right to prevent unauthorized imports of our protected products to Kazakhstan. The correct implementation of the regional exhaustion principle helps to address unfair competition, ensures that imported products quality is not deteriorating and reduces the possibility of fake products entering the market. This also guarantees that consumers get what they pay for.

We also gained legal certainty when, the Kazakh Supreme Court confirmed the interpretation of the law, the first ruling whereby a civil action against an un-authorized importer had been successful. This effectively set a strong precedent for further actions against un-authorized importers and restored our confidence in trademark protection in Kazakhstan.

We hope the Commission will continue supporting us in Kazakhstan, particularly taking into account worrying discussions about the legalization of parallel trade in Eurasian Customs Union.



“In recent years, our company enjoyed considerable benefits from the resolution of trade barriers in our export markets. ”

Christian Porta, Chairman & Chief Executive Officer of Pernod Ricard EMEA

The view of the industry

The European Spirits Association estimates that the sector employs, directly and indirectly, 1 million workers in Europe and contributes a positive net trade balance of €9 billion to the EU economy per year. The European Food and Drink sector counts 289,000 companies. Nine out of ten are smaller firms and 18,000 are exporting their products to 130 world markets. Their growth and employment levels are all supported by the positive results of the EU's Market Access Strategy.

Paul Skehan, Director General of spiritsEUROPE commented: The above case in Kazakhstan is a good example of the practical impact of the Market Access Partnership. This result will benefit all companies –small and large businesses alike - operating in this market and will help create a favourable environment for growing exports.

In the last few years, the Market Access Partnership has helped us address issues in Colombia, Brazil, China and Russia. In the wake of the rise in protectionism, it is essential that as a leading export sector we can continue to rely on the Market Access Partnership framework to enforce international trade rules and help business seize opportunities in world markets.