vinetur

EU Trade Deal Faces Clash Over Protected Food Names

Argentina’s pact with the United States could let American producers use terms Europe wants reserved for regional specialties.

Monday, April 27, 2026



The European Union’s new trade agreement with Mercosur is set to strengthen protection for more than 350 European geographical indications in Argentina, Brazil, Paraguay and Uruguay, including 57 Italian food and wine names that Brussels says are among the most valuable in its system of protected designations. But a separate agreement signed by the United States and Argentina earlier this year is creating legal tension over whether some of those same names can be treated as generic terms in

the Argentine market.

The Mercosur deal, which is scheduled to enter into provisional application on May 1, 2026, was formally signed in Asunción on Jan. 17 after the political agreement reached in December 2024. It is being presented by the European Commission as the largest free trade agreement ever negotiated by the bloc, covering a market of roughly 700 million to 800 million people and a combined gross domestic product of about $20 trillion. One of its central features is a stronger framework for protecting geographical indications, or GIs, which are names tied to a specific place and production method, such as Parmigiano Reggiano, Prosciutto di Parma and Prosecco.

Under the agreement, protected European names cannot be treated as common names in Mercosur countries. The text also bars imitation and evocation of those names, even when a product's true origin is stated or when words such as "type," "style" or "imitation" are added. That standard reflects long-standing European law, which gives broad protection to PDOs and PGIs and does not require proof that consumers were actually confused. In a 2008 ruling in Commission v. Germany, the Court of Justice of the European Union said that even conceptual similarity could amount to evocation, a finding that helped establish that "Parmesan" could evoke Parmigiano Reggiano.

The Mercosur agreement also creates a committee on geographical indications and includes rules meant to curb so-called Italian sounding products, a practice that uses names or imagery associated with Italy without any real connection to Italian production. Italian industry groups have long argued that such products damage exports and weaken the value of protected names abroad.

But the picture changed in early February 2026, when the United States and Argentina signed the Agreement on Reciprocal Trade and Investment, known as ARTI. That treaty takes a different approach. It says Argentina must ensure transparency and fairness in GI protection, but if a term has been recognized as a geographical indication without evidence that its quality, reputation or other characteristic is essentially linked to its place of origin, Argentina must allow U.S. products to use that term.

The most sensitive part is Article 2.5, which covers cheese and meat terms listed in an annex to the treaty. Those terms include Asiago, Fontina, Gorgonzola, Grana, Parmesan, Pecorino, Provolone and Romano for cheeses, along with Bologna for cured meats. Under ARTI, Argentina may not restrict market access for U.S. products using those names unless there is formal proof of a special reputation tied to geographic origin.

That creates a direct clash with the EU-Mercosur framework. In Europe's system, those names are protected because they refer to specific places and traditions. In ARTI's framework, they may be treated as generic if they are seen as common product descriptions rather than origin-linked terms. For Argentine authorities and courts, that leaves open a difficult question: whether they can comply fully with both treaties at once.

The issue is not only commercial but legal. ARTI includes language saying Argentina should not enter into commitments with third countries that would conflict with its obligations under that treaty. Yet Argentina's commitments to the European Union on geographical indications arise from the Mercosur agreement signed before ARTI's provisional entry into force. That raises questions about timing, hierarchy and how Argentine law will reconcile overlapping international obligations.

For European producers, especially in Italy, the concern is practical. If Argentine authorities treat certain names as generic under ARTI, companies that rely on PDO or PGI protection may find it harder to stop U.S.-made products from using those terms in Argentina. That could weaken brand value and complicate enforcement efforts in one of South America's largest markets.

The stakes are high because geographical indications are not just labels. They are part of pricing power, export strategy and rural economies across Europe. The Mercosur deal was meant to reinforce that system abroad. ARTI now threatens to narrow it in at least one major market by giving legal cover to terms Europe considers protected but Washington considers common use.

Trade lawyers say the result could be years of litigation over how Argentina should apply the two agreements in practice. The dispute also underscores a broader divide between two legal models: one built around origin-based protection and another built around genericness and market access. For wine and food producers on both sides of the Atlantic, that divide may determine who can use some of the world’s best-known names on labels sold in Argentina starting next year.