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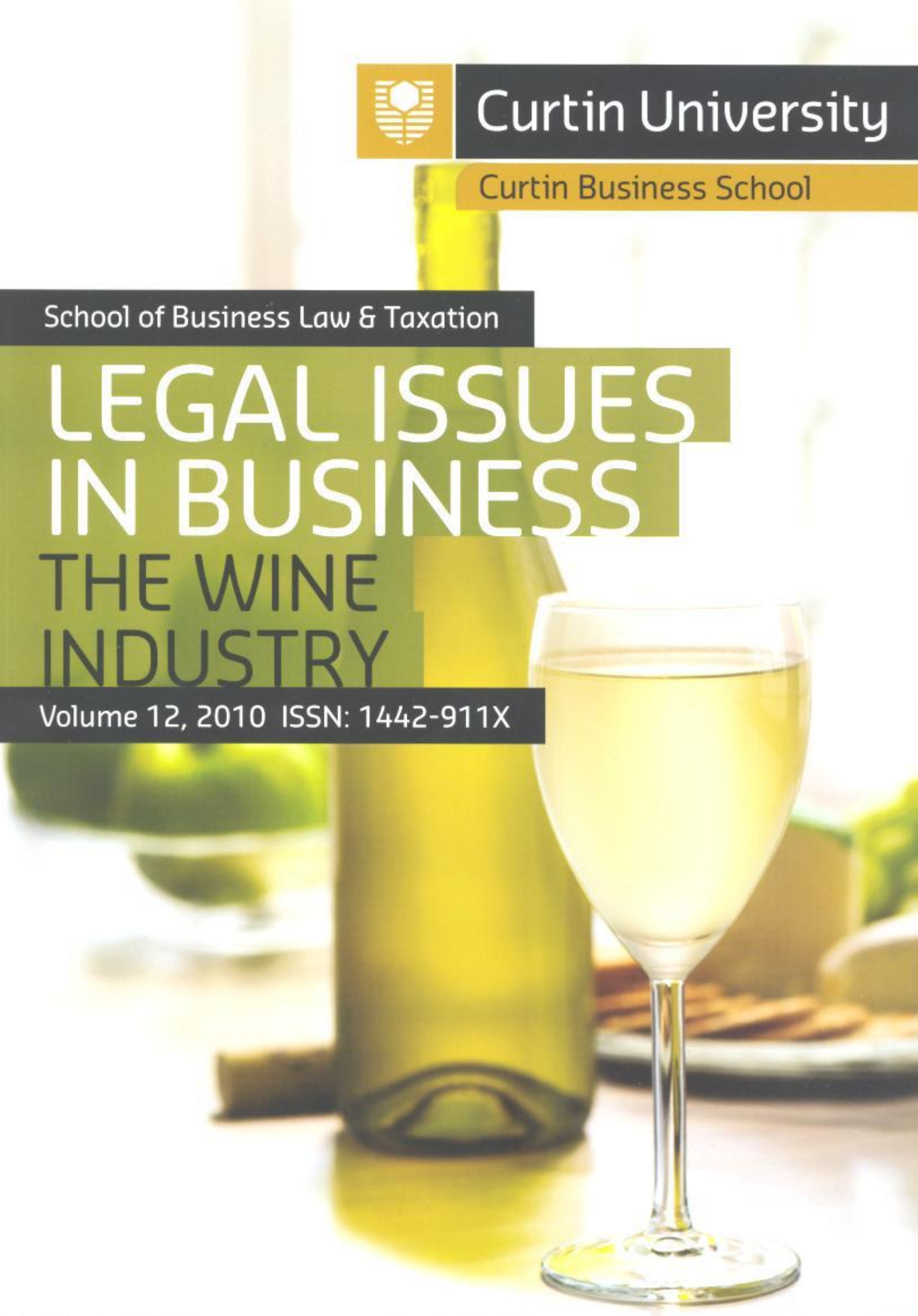
Curtin Business School

School of Business Law & Taxation

LEGAL ISSUES IN BUSINESS

THE WINE INDUSTRY

Volume 12, 2010 ISSN: 1442-911X



Geographical Indications in the Wine Industry

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Abstract

This article examines the impact of international regulation on the use of geographical indications ('GIs') in the wine industry in Australia. Treaties considered include the *Agreement on Trade Related Aspects of Intellectual Property Rights* ('TRIPS'), the *EU-Australia Wine Agreements* of 1994 and 2008 and the *Australia-US Free Trade Agreement* of 2004. Legislation considered includes the *Australian Wine and Brandy Corporation Act 1980* (Cth), the *Trade Marks Act 1995* (Cth) and the *Trade Practices Act 1974* (Cth). Cases include *J Bollinger v The Costa Brava Wine Co Ltd* (1961) RPC 116, *Comité Interprofessionnel des Vins Côtes de Provence v Stuart Alexander Bryce* [1996] FCA 742 and the Registrar of Trade Marks decision in *Re: Trade mark application number 777920(33) – QUEEN ADELAIDE REGENCY – in the name of Southcorp Wines Pty Ltd*.

Introduction

This article examines the impact of international regulation on the use of geographical indications ('GIs') in the wine industry in Australia. The *Trade Marks Act 1995* (Cth) ('TMA') defines GIs as follows: 'In relation to goods originating in a particular country or in a region or locality of that country, means a sign recognised in that country as a sign indicating that the goods ... originated in that country, region or locality and ... have a quality, reputation or other characteristic attributable to their geographical origin.'¹

Often the 'sign' is a place name. Put simply, in the context of the wine industry, an example of this is giving a new wine the name Burgundy or Champagne because it is a similar style of wine to those originating in the Burgundy or Champagne regions of France. The problem arises when the new wine is not in fact produced in the region after which it is named, because increasingly countries worldwide are recognising that their GIs are something to be jealously guarded. The name is associated by consumers with certain

information which may be about quality, flavour or type. This reputation has an economic worth because consumers will choose to purchase one product rather than another on the basis of what they think they know about it. The importance of protecting the inherent value of this reputation is reflected in international agreements relating to the protection of GIs. While GIs may apply to all manner of products, for example Bohemia for crystalware made in the Czech Republic, they also commonly apply to agricultural products, such as Roquefort or Feta cheeses and, of course, to wines.¹

Agreement on Trade-Related Aspects of Intellectual Property Rights

During the Uruguay round of international trade negotiations, nations recognised the need to protect and enforce geographical indications as a form of intellectual property at the multilateral international

¹ World Intellectual Property Organization, *About Geographical Indications* <http://www.wipo.int/geo_indications/en/about.htm>; European Commission, *EU Agricultural Product Quality Policy* (25 March 2010) <http://ec.europa.eu/agriculture/quality/index_en.htm>.

level.² During this round, the *Agreement on Trade-Related Aspects of Intellectual Property Rights* ('TRIPS') was negotiated. TRIPS is annexed to the *World Trade Organisation* ('WTO') *Agreement*, meaning that any member nation to the WTO is obliged to apply TRIPS as part of a balanced package of trade terms.³ TRIPS provides for 'standards concerning the availability, scope and use of intellectual property rights', including trade marks and geographical indications.⁴

Article 22 of TRIPS provides a useful definition of geographic indications as follows: 'Geographical indications are, for the purposes of this Agreement, indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin.'⁵

WTO member states are required to implement domestic laws that prevent the use of geographical indications in a manner that 'misleads the public as to the geographical origin of the good'⁶ or amounts to unfair competition.⁷ Article 23 of TRIPS gives special protection in relation to the use of GIs for wines and spirits. This article provides as follows:

Each member shall provide the legal means ... to prevent use of a geographical indication identifying wines for wines not originating in the place indicated by the geographical indication in question ... even where the true origin of the goods is indicated ... or accompanied by expressions such as 'kind', 'type', 'style', 'imitation' or the like.⁸

² This round lasted from 1986 to 1994.

³ *Marrakesh Agreement Establishing the World Trade Organization*, opened for signature 15 April 1994, 1867 UNTS 3 (entered into force 1 January 1995) annex 1C ('*Agreement on Trade-Related Aspects of Intellectual Property Rights*') ('TRIPS')

<www.wto.org/english/tratop_c/trips_c/t_agm0_c.htm>.

⁴ TRIPS.

⁵ TRIPS, art 22(1).

⁶ TRIPS, art 22(2)(a).

⁷ TRIPS, art 22(2)(b).

⁸ TRIPS, art 23(1).

While WTO member nations must have mechanisms in place to give effect to TRIPS, for example by refusing the registration of trade marks containing false geographical indications, TRIPS does not stipulate the specific mechanisms by which this is to be done.⁹ This gives member nations the freedom to take into consideration their own particular economic, cultural and legal needs.¹⁰ TRIPS further provides that any interested party (which is likely to be a trade mark owner) may request a false geographical indication to be invalidated.¹¹ There are limited exceptions to GI protection under TRIPS, namely for product names that have become generic in the domestic market of a member nation¹² and in instances where a prior trade mark bearing the same or similar term(s) has already been acquired or registered in good faith.¹³

The EU-Australia Wine Agreements of 1994 and 2008

Wine growers in the Europe Union ('EU'), and particularly France, have been assertive about protecting the names of their wines and their wine growing regions for many years. An English case often cited in this regard is *J Bollinger v The Costa Brava Wine Co Ltd* (1961) RPC 116 ('the Spanish Champagne case'). Here the defendant company sold a form of sparkling wine in Britain called 'Spanish Champagne', and the plaintiff, a well known maker of Champagne in the Champagne region of France, was successful in a passing off action in preventing the continued use of this name. Dankwerts J said:

It appears to me when the plaintiffs have shown that the description used by the defendants contains an untruthful statement that a wine which is not Champagne is Champagne, they have gone some way to establishing their case, and the Court might require to be satisfied that such an untrue

⁹ TRIPS, art 23(2).

¹⁰ Department of Foreign Affairs and Trade, *Intellectual Property and International Trade: Geographical Indications* <http://www.dfat.gov.au/ip/geographical_indications.html>.

¹¹ TRIPS, art 23(2).

¹² TRIPS, art 24(6).

¹³ TRIPS, art 24(5).

statement was so clearly qualified as to be not likely to mislead.¹⁴

In Australia the longstanding and ubiquitous use of names with EU origins is contentious from the perspective of wine producers in Europe, and led to the signing in January 1994, effective March 1994, of the *Agreement between Australia and the European Community on Trade in Wine, and Protocol* ('the 1994 Agreement'). One of the main purposes of the 1994 Agreement was to permit the mutual import and export between Australia and the EU of wine made in accordance with agreed oenological (winemaking) practices and processes and with agreed compositional requirements.¹⁵ Another purpose was to establish 'reciprocal protection of wine names and related provisions on description and presentation'.¹⁶ Article 8 provides for the prohibition of certain names for wines produced in Australia, subject to various transitional periods. The names Beaujolais, Cava, Frascati, Sancerre, Saint-Emilion/St. Emilion, Vinho Verde/Vino Verde and White Bordeaux had to be phased out by 31 December 1993. The names Chianti, Frontignan, Hock, Madeira and Malaga had to be phased out by 31 December 1997. The transitional period for the names Burgundy, Chablis, Champagne, Claret, Graves, Marsala, Moselle, Port, Sauternes, Sherry and White Burgundy was to be determined by 31 December 1997, but at the time of writing could still be used (for further on this, see below). While these latter names can still be used for wine produced in Australia, the wines cannot be exported to the EU with those names, which is why it is rare now to see Australian wines called Champagne or White Burgundy.¹⁷ Annex II of the 1994 Agreement

includes a further lengthy list of wine GIs from regions and subregions across the EU, and also some traditional expressions ('TEs'), in particular from Spain, for example, 'Pale, Dry ... Medium, Golden, Cream ...'. TEs are names 'referring to the method of production or to the quality, colour or type of a wine for the purpose of describing or presenting that wine'.¹⁸

Annex II of the 1994 Agreement covers 103 Australian GIs in a list that begins with: 'wines bearing the ascription South-Eastern Australia or one of the following names of States/Territories, zones, regions or sub-regions of wine producing areas'. Presently there are about 60 regions; 13 in New South Wales, two in Queensland, 17 in South Australia, one in Tasmania, 21 in Victoria, nine in Western Australia and the name 'Northern Territory'.¹⁹

The provisions of the 1994 Agreement became legally enforceable by way of a 1993 amendment to the *Australian Wine and Brandy Corporation Act 1980* (Cth) ('AWBCA') inserting pt VIB headed 'Protection of certain names and expressions'.²⁰ With respect to the changes, the Hon Senator Bob McMullan said during his second reading speech in the Senate on 28 October 1993:

The purpose of this bill is to implement the EC/Australia Wine Agreement.

...

This legislation enables the Agreement to enter into force and our winemakers to enjoy its benefits.

The Agreement provides for the mutual recognition of each Party's winemaking practices and standards; it affords mutual

¹⁴ *J Bollinger v The Costa Brava Wine Co Ltd* (1961) RPC 116, 127. See also *Vine Products v Mackenzie & Co* (1969) RPC 1 on the use of the word 'sherry', a wine originating from Jerez in Spain.

¹⁵ *Agreement between Australia and the European Community on Trade in Wine, and Protocol*, Brussels-Canberra, signed 26-31 January 1994, [1994] ATS 6 (entered into force 1 March 1994) Title I.

¹⁶ *Ibid* Title II.

¹⁷ An example of this is the famous Houghton White Burgundy, entered into its first wine show with that name in 1937; in 2005 it became Houghton White Classic. Ray Jordan,

'Name Change for Houghton's Liquid Legend', *The West Australian* (Perth), 19 November 2005, 17.

¹⁸ Brett Cowell, *Australia - European Community Agreement on Trade in Wine - Update* (23 February 2009) Cowell Clarke <<http://www.cowellclark.com.au/web/articles.asp>>.

¹⁹ *Agreement between Australia and the European Community on Trade in Wine, and Protocol*, Annex II; Australian Wine and Brandy Corporation, *Wine Regions* <<http://www.wineaustralia.com/australia/Default.aspx?tabid=4445>>.

²⁰ *Australian Wine and Brandy Corporation Amendment Act 1993* (Cth).

protection to each Party's geographical indications, that is, the names of our wine regions such as Coonawarra and Hunter Valley.

...
The Agreement recognises the importance of European geographical indications to the European Community. It also recognises the widespread use of EC names on Australian wines. The Agreement provides for the gradual phase-out of our use of EC geographical indications according to their commercial importance.²¹

Part VIB *AWBCA* s 40A states the object of the part as being 'to regulate the sale, export and import of wine ... for the purpose of enabling Australia to fulfil its obligations under prescribed wine trading agreements ...'.²² There follow various offences, punishable by a two year term of imprisonment or fines, relating to selling, exporting and importing wine with a false or misleading description and presentation.²³ Part VIB provides for the establishment of a Geographical Indications Committee ('GIC') whose function it is to make determinations about Australian GIs.²⁴ Applications for a GI in respect of a region or locality in Australia may be made in writing by declared winemakers' or wine grape growers' organisations, or individual winemakers or grape growers.²⁵ The GIC can also initiate a proposed GI on its own account.²⁶ The GIC makes determinations in consultation with declared winemakers' and grape growers' organisations, and any other appropriate organisations or persons, and must consider the boundaries covered by the GI as well as determining the particular word or expression to be

used.²⁷ Determinations made by the GIC may be reviewed by the Administrative Appeals Tribunal ('AAT').²⁸ Part VIB div 5 provides for there to be a Registrar of Protected Names and for the Registrar 'to keep a register to be known as the Register of Protected Names'.²⁹ The register is a public document and can be inspected by anyone during office hours at the office of the Registrar.³⁰

On 1 December 2008 Australia signed a new *Agreement between Australia and the European Community on Trade in Wine* ('the 2008 Agreement'), which will replace the 1994 *Agreement* when it comes into force. Before the 2008 *Agreement* becomes effective the *AWBCA* and the *Trade Marks Act 1995* ('TMA') must be amended, and, as yet, there appears to be no such amending legislation before Parliament. In a media release dated 2 December 2008, the Hon Tony Burke, Minister for Agriculture, Fisheries and Forestry, said that 397 million litres of wine were exported by Australia to the EC, compared with 18 million litres coming in the reverse direction. The EC 'accounted for around half of all Australian wine exports – worth \$1.3 billion'.³¹ The Minister said the benefits for Australian producers from the 2008 *Agreement* include:

- European recognition of an additional 16 Australian winemaking techniques, including the use of oak chips to add flavour
- Simpler arrangements for the approval of winemaking techniques that may be developed in the future
- Simplified labelling requirements for Australian wine sold in European markets, to allow optional information such as the number of standard drinks

²¹ Commonwealth, *Parliamentary Debates*, Senate, 28 October 1993, (Bob McMullan). Also cited in *Comité Interprofessionnel des Vins Côtes de Provence v Stuart Alexander Bryce* [1996] FCA 742 (23 August 1996) <<http://www.austlii.edu.au/au/cases/cth/FCA/1996/742.html>>.

²² Section 4, *Australian Wine and Brandy Corporation Act 1980* (Cth) defines 'prescribed wine-trading agreements' as including 'an agreement relating to trade in wine that is in force between the European Economic Community and Australia ...'.

²³ *Australian Wine and Brandy Corporation Act 1980* (Cth) ss 40C-40L.

²⁴ *Ibid* ss 40N-40QA.

²⁵ *Ibid* s 40R.

²⁶ *Ibid* s 40Q.

²⁷ *Ibid* ss 40S-40T.

²⁸ *Ibid* ss 40Y and 40ZAH.

²⁹ *Ibid* ss 40ZA and 40ZC.

³⁰ *Ibid* ss 40ZE.

³¹ Department of Agriculture, Fisheries and Forestry, 'European Deal Improves Trade Access for Australian Wines' (Media release, DAFF08/169B, 2 December 2008) <http://www.daff.gov.au/maffi/media/media_releases/2008/december/european_deal_improves_trade_access_for_australian_wines>.

- Protection within Europe for Australia's 112 registered geographical indicators, including Barossa Valley, Mudgee, Margaret River and Rutherglen
- Australia can continue to use a number of 'traditional expressions', such as 'vintage', 'tawny' and 'ruby'.³²

The Minister also announced that \$500 000 would be provided by the Federal Government to fortified wine producers in Australia to assist them in rebranding their products such as sherry and tokay.³³

Article 15 of the 2008 *Agreement*, headed 'Transitional arrangements' provides:

The protection of the names referred to ... shall not prevent the use by Australia of the following names to describe and present a wine in Australia, and in third countries where the laws and regulations so permit, for the following transitional periods:

- 12 months after entry into force of this Agreement, for the following names: Burgundy, Chablis, Champagne, Graves, Manzanilla, Marsala, Moselle, Port, Sauterne, Sherry and White Burgundy;
- 10 years after entry into force of this Agreement, for the name Tokay.³⁴

The Australia-US Agreement

Another agreement which impacts on GIs in the wine industry is the *Australia-United States Free Trade Agreement* ('*AUSFTA*') which was signed in May 2004 and came into force on 1 January 2005. Intellectual property rights, including GIs, were a principal feature of the *AUSFTA*: 'The US has insisted upon the insertion of a provision in its Free Trade Agreements which provides that partner countries may not register

geographical indications in the face of prior trade mark rights.'³⁵

As a result the *AWBCA* was amended by the *US Free Trade Agreement Implementation Act 2004* (Cth). The changes to pt VIB *AWBCA* are that when an application for determination of an Australian GI is made, the GIC publishes a notice of the proposed Australian GI.³⁶ Objections to Australian GI determinations may then be made by the registered owner of a registered trade mark, or a pending trade mark, and the Registrar of Trade Marks makes a decision on whether or not the ground for the objection is made out.³⁷ Appeals from the decision of the Registrar of Trade Marks lie to the Federal Court, but decisions made under pt VIB div 4 do not affect rights under the *TMA*.³⁸ Other changes are that the GIC can determine that an Australian GI should be omitted from the register on the grounds of non use, or that it is no longer required.³⁹ A determination to omit an Australian GI on the grounds of non use can be reviewed by the AAT.⁴⁰

Trade Marks Act 1995 (Cth)

The *TMA* generally prevents the registration of trade marks that do not distinguish the applicant's goods or services,⁴¹ marks that are contrary to law,⁴² and marks that are likely to deceive or cause confusion.⁴³ While false GIs are likely to contravene any or all of these sections, the *TMA* also specifically prohibits marks that contain a false geographical indication.⁴⁴ If a trade mark or GI is not registered, the common law tort of passing off provides a legal alternative. An action can also be brought for misleading or deceptive conduct under the

³² *Ibid.* Barossa Valley, Mudgee, Margaret River and Rutherglen are already listed in Annex II of the 1994 Agreement.

³³ Department of Agriculture, Fisheries and Forestry, above n 31.

³⁴ *Agreement between Australia and the European Community on Trade in Wine*, Article 15

<<http://www.wineaustralia.com/australia/LinkClick.aspx?fileticket=3ZzM/TYmDbo%3D&tabid=279>>.

³⁵ Anderson Rice, *Anderson Rice News*, Autumn 2007 Edition <www.andrice.com.au/documents/Autumn%202007.pdf>.

³⁶ *Australian Wine and Brandy Corporation Act 1980* (Cth) s 40RA.

³⁷ *Ibid* ss 40RA-RD.

³⁸ *Ibid* ss 40RF-RG.

³⁹ *Ibid* pt VIB div 4A.

⁴⁰ *Ibid* s 40ZAH.

⁴¹ *Trade Marks Act 1995* (Cth) s 41.

⁴² *Ibid* s 42(b).

⁴³ *Ibid* s 43.

⁴⁴ *Ibid* s 61.

Trade Practices Act 1974 (Cth) ('TPA'). The TMA, passing off and the TPA are discussed in more detail in another article in this edition.⁴⁵

Trade Practices Act 1974 (Cth)

The objective of pt V of the TPA is to promote competition so that the consumer benefits from increased choice. Part V commences with s 52, a catch-all provision prohibiting 'misleading or deceptive conduct'. The section reads:

52(1) [Prohibited conduct] A corporation shall not, in trade or commerce, engage in conduct that is misleading or deceptive or is likely to mislead or deceive.

52(2) Nothing in the succeeding provisions of this Division shall be taken as limiting by implication the generality of sub-section (1).

The TPA also specifically prohibits misleading representations regarding the place of origin of goods. Section 53(eb) provides that: 'A Corporation shall not, in trade or in commerce, in connection with the supply or possible supply of goods or services or in connection with the promotion by any means of the supply or use of goods or services ... make a false or misleading representation concerning the place of origin of goods.'⁴⁶

Practical Implications of GI Protection

In this section there is a brief examination of two decisions, one judicial, the other by the Registrar of Trade Marks. These illustrate how the protection of GIs operates in practice. In both instances the Australian wine producers were able to demonstrate longstanding usage of the terms in question, but this did not help their cause.

The first is the Federal Court decision by Heerey J in *Comité Interprofessionnel des Vins Côtes de Provence v Stuart Alexander Bryce* [1996] FCA 742 (23 August

1996).⁴⁷ The applicants were bodies established under French law, and their objection was to the use of 'La Provence' in respect of the wine produced by the defendants in Tasmania. The applicants alleged contravention of ss 40C and 40E of the *AWBCA*, s 52 TPA, and the equivalent legislation in Tasmania, and passing off. Counsel for the respondent argued that 'Provence' was merely a heading in the Register of GIs under which more detailed GIs were listed, and not a GI in itself. In concluding that he did not accept this argument, Heerey J said:

Thus Provence is not only a region in the ordinary meaning of the word, but is well (and favourably) known as a wine producing region. 'Provence' is therefore a word used in the description and presentation of wine to indicate the region in which it originated and thus a 'geographical indication' within the meaning of the Act.

Moreover, it is not in my opinion a valid argument to call the words 'Provence and Corsica regions' a heading and then say that as a heading they are merely directions to the reader and not an operative and substantive part of the Register. The word 'heading' is not used in the extract from the Register which was in evidence nor, as far as I could see, in Annex II or in any other part of the Agreement. The layout of the Register, and Annex II, is a coherent and understandable way of setting out the names to be protected. The whole structure of Annex II of the Agreement mirrors the country, region, locality hierarchy. Annex II is divided into countries, France, Germany etc which are in turn divided into regions such as Provence and then into localities.⁴⁸

Heerey J was equally dismissive of the respondents' argument with respect to 'La Provence'. However, having found that both 'Provence' and 'La Provence' were protected GIs, Heerey J went on to find that the applicants failed to satisfy the burden of proving that the respondents 'knowingly' (intentionally) sold the wine with a false or misleading description and presentation as required by ss 40C(1) and 40E(1) of the

⁴⁵ Refer to the article in this journal titled 'Trade Marks in the Wine Industry'.

⁴⁶ *Trade Practices Act 1974* (Cth) s 53(eb).

⁴⁷ *Comité Interprofessionnel des Vins Côtes de Provence v Stuart Alexander Bryce* [1996] FCA 742 (23 August 1996) <<http://www.austlii.edu.au/au/cases/cth/FCA/1996/742.html>>.

⁴⁸ *Ibid.*

AWBCA. Heerey J then refused to grant an injunction restraining the use of these words by the respondent. It was nonetheless a Pyrrhic victory for the respondents because following the protracted litigation the vineyard stopped using 'Provence' and 'La Provence', and changed its name, and that of a number of its wines, to Providence.⁴⁹

In the 2000 decision of the Registrar of Trade Marks with respect to an application by Southcorp Wines to register the name QUEEN ADELAIDE REGENCY in class 33 'wines' for red wine,⁵⁰ Heerey J's judgment in the above case was used for guidance. 'Adelaide' is registered as an Australian GI, and the trade marks examiner made it a condition of registration that only wine coming from the Adelaide area could be the subject matter of this particular trade mark. Southcorp objected to the condition on the basis that the trade mark was the entire phrase QUEEN ADELAIDE REGENCY, not the word Adelaide alone, that 'Adelaide' is female given name, and that Queen Adelaide was the wife of King William IV after whom Adelaide in South Australia was named.⁵¹ After careful consideration of Heerey J's decision with respect to the use of 'Provence' and 'La Provence', the Registrar failed to be convinced by Southcorp's argument, fixing on the fact that the trade mark included the GI 'Adelaide'. Because Southcorp would not agree to the condition imposed by the examiner, the Registrar found that there was a breach of s 40C *AWBCA* as the wine did not necessarily originate in the Adelaide region. This made the proposed trade mark 'contrary to law', a ground for rejection under s 42(b) *TMA*, and so the Registrar rejected the application.⁵²

⁴⁹ Providence Vineyards <<http://www.providence.com.au>>; James Halliday, *Australian Wine Companion 2009 Edition* (Hardie Grant Books, 2009) 521.

⁵⁰ *Re: Trade mark application number 777920(33) – QUEEN ADELAIDE REGENCY – in the name of Southcorp Wines Pty Ltd.* <<http://www.ipaustralia.gov.au/pdfs/trademarks/hearings/777920.pdf>>.

⁵¹ *Ibid.*

⁵² *Ibid.* A wine called 'Queen Adelaide Regency Red', a mix of Cabernet Sauvignon and Shiraz, is still available for

Conclusion

Increasingly the inherent value of GIs is being recognised at a national and international level. There are multilateral and bilateral treaties that have had an effect on the use of GIs in the wine industry in Australia. In some instances, in particular the 1994 *EU-Australia Wine Agreement*, these treaties have led to major changes in the way wines are labelled and marketed in Australia. The Australian wine industry has had to move away from a historic reliance on European GIs to identify their products. While this process has been a painful one, it has also brought about the coming of age of the Australian wine industry which has had to use descriptors that are uniquely Australian. Although the wine industry in Australia has been obliged to make changes to comply with the treaties, the treaties work both ways, and this is an advantage. As a leading wine exporter to the world, Australia is now in the position of being able to take full control of, and legally protect, its own GIs.

purchase, presumably using a common law trade mark. The maker is now Fosters Australia Ltd (Wine), who purchased Southcorp in 2005.