rivista di diritto alimentare
www.rivistadirittoalimentare.it - ISSN 1973-3593 [online]
Anno XVI, numero 3 · Luglio-Settembre 2022


# Australian EU Free Trade Agreement Australia potentially broadening its horizons in the geographical indication field

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*1.- Background to "Geographical Indications" as a legal concept in Australia*

When the author studied intellectual property at university in the late 1970s, the legal concepts of geographical indications or appellations of origin were virtually unknown in Australia. The concept certainly was not referred to in any text books on property law nor in any text books dealing with intellectual property. Even though the English House of Lords case in *J. Bollinger & Ors v. The Costa Brava Wine Company Limited*[1], in which the concept of joint property in the name "Champagne" was recognised by the English House of Lords was taught in some faculties to law students in Australia, there was still no commentary on the fact that the name "Champagne" was in fact an article of intellectual property, that is, a geographical indication or an appellation of origin.

Australia's first litigation in which there were attempts to protect a European geographical indication was in 1981 when the French Institut National des Appellations d'Origine (the INAO) took action in the Federal Court of Australia to try to stop the importation into Australia of Spanish sparkling wine under the name "Spanish Champagne"[2]. That action was run on the basis that the use of the name "Champagne" for a Spanish sparkling wine was misleading or deceptive conduct. There was no reference in that litigation, at least that one can discern in the court judgment, that there was any reference to the name "Champagne" being a geographical indication or appellation of origin. The case was not run to a full trial as the INAO's application for an interlocutory injunction (a temporary injunction that would last from the date of the application for such an injunction until the final trial) was rejected by the court on the basis that the INAO could not establish that the name "Champagne" distinctively indicated to Australian consumers the French sparkling wine from the region of that name.

The first time that the concept of appellations of origin appears to have been referred to in an Australia legal context was in the litigation commenced by the INAO, together with the Beaujolais interprofessional Union (the UIVB) and 19 Beaujolais vignerons, producers and negociants, in 1988 in the Federal Court of Australia[3]. That action (the Beaujolais litigation) was launched against Australia's seven largest wine companies which were each misusing the name "Beaujolais" for Australian wines. In that litigation, the term "geographical indication" was not used but certainly the concept of a geographical indication and, in particular, the concept of French controlled appellations of origin, featured in the court pleadings and in the affidavit evidence filed in court and served on the Respondents. The litigation continued for about four years without coming to trial. It was (unfortunately for the lawyers acting for the INAO) settled amicably with each of the seven Australian respondent wine companies

(1) [1961] R.P.C. 116

(2) Re *Comite Interprofessionel Du Vin De Champagne and Charles Barker Australia Pty Limited v N L Burton Pty Limited T/As Freixenet Spanish Champagne Distributors and Garland Farwagi & Partners Pty Limited*, [1981] FCA 196 - http://www.austlii.edu.au/cgi-bin/viewdoc/au/cases/cth/FCA/1981/196.html

(3) *Union Interprofessionnelle des Vins du Beaujolais & Ors v Seaview Winery Pty Limted & Ors* – No VG 258 of 1988

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agreeing to cease misusing the name "Beaujolais".

*2.- Trade-Related Aspects of Intellectual Property Rights Treaty*

Thus by the late 1980's and early 1990's, a very small handful of Australian lawyers had began to grapple with the concepts of European geographical indications. That was a useful entree into the world of geographical indications, as in the early 1990's, the Australian government commenced its consideration of the World Trade Organisation suite of agreements that included, of course, the agreement that was eventually signed in Marakesh in 1994 as the Trade-Related Aspects of Intellectual Property Rights Treaty (the TRIPS Treaty).
The early drafts of the TRIPS Treaty were shared by the Australian government with the Law Council of Australia Intellectual Property Committee (the IP Committee) which was asked to comment on the various intellectual property issues arising from the drafts. One of the chapters in the TRIPS agreement was, of course, that dealing with geographical indications (although the early drafts of the TRIPS agreement referred to those rights as "appellations of origin"). The IP Committee had amongst its members at least six senior intellectual property lawyers who were involved in the Beaujolais litigation and who were all thus, at least to some extent, necessarily familiar with the concept of geographical indications.

*3.- Agreement between Australia and the European Community on Trade in Wine, and Protocol*

At the same time as Australia was participating in the WTO negotiations, it was separately involved in negotiating an agreement on trade in wine with the European Union. The goal of the negotiations from Australia's perspective was to seek to reduce non-tariff barriers to entry of Australian wines into the European Union. From the perspective of the European Union, its principal goal was to obtain the protection in Australia of European Union wine geographical indications. The negotiations for this Agreement concluded in 1993 when a draft treaty was initialled and the Treaty (the Wine Treaty) was eventually signed in 1994.[4] Australia actually enacted its own legislation putting into place the obligations in the Treaty during the course of 1993 even though the Wine Treaty was not finally signed until 1994. Key provisions of such legislative amendments were the creation of a Register of Geographical Indications and a process by which European geographical indications for wines would be registered in Australia and Australian wine geographical indications could be created and equally protected.

*4.- Current Australian position with Geographical Indications*

Thus, by the end of 1993, Australia had its own system of geographical indications but this was strictly limited to wines. Spirits were not covered by the Treaty and thus spirit geographical indications such as Cognac, Calvados and Armagnac received no protection from Australia's new system for geographical indications.
Certainly agricultural products of any nature (other than wines) were not included amongst the provisions that gave protection to geographical indications.
It should be understood clearly that in the early 1990's, Australia allied its international negotiating position on the concept of geographical indications very closely with that of the United States of America. Without going into detail, it is general-

([4]) Agreement between Australia and the European Community on Trade in Wine, and Protocol (Brussels-Canberra, 26-31 January 1994).

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ly known, of course, that the United States of America has never been a supporter of geographical indications in general although, of course, it is a signatory to the TRIPS agreement. The USA does not have its own system of geographical indications although the system of American Viticultural Areas is commonly unofficially referred to as an American appellation system.
Thus, Australia took and maintained the USA position in international discussions about the protection of (non-wine) geographical indications[5] and Australia itself was not in any way supportive of extending its local national protection for wine geographical indications, whether Australian or foreign, to other products.
Thus, as at the start of the negotiations of the potential new Free Trade Agreement between Australia and the European Union about 3 or so years ago, Australia had in place a system for protecting wine geographical indications which has been widely used. A large number of Australian wine regions have been registered as geographical indications[6] and several thousand European wine geographical indications have been registered in Australia pursuant to the Wine Treaty.
There have been quite a large number of cases in Australia whereby European Union geographical indications for wine have been defended against misuse in Australia, including by way of Federal Court litigation. However, for any other non-wine product where there might be a foreign (such as European) geographical indication which is being misused in Australia, there is no specific legislation that can be relied on to prevent the misuse. Any actions taken to try to prevent the misuse must be based on the Australian Consumer Law which prohibits misleading or deceptive conduct. This is similar to the law of passing-off, but is more narrow than the general concept of unfair competition. Court proceedings will only succeed if, as the first step, the organisation seeking to protect the foreign geographical indication can show that that name is distinctive in Australia of the foreign region and its products. If that name has fallen into the public domain and become truly generic, then it will not be possible to use the Australian Consumer Law or the law of passing-off to protect that name against misuse.

*5.- Negotiations with the European Union on the Free Trade Agreement*

When negotiations started between Australia and the European Union on the potential new Free Trade Agreement, the Australian government consulted very widely including both amongst a wide range of agricultural sectors and amongst the legal profession, seeking input. Whilst there have been mixed reactions from the Australian food sector, there have been various traders and associations who have been quite loudly protesting to the Australian Government that prohibitions on the use of names that they would like to continue to use constitute an attack on the local food sector. There have been assertions that the prohibition on the use of particular names would even mean that the Australian producers cannot continue to manufacture the products in question, clearly an illogical non-sequitur - however, there is significant emotion involved.
The negotiations have seen submissions or representations made on behalf of the Australian negotiators to the European Union negotiators asserting that a number of the European agri-food geographical indications that the European Union would like to have protected are, in fact, within the public domain. However, a critical review of a lot of those claims demonstrates quite readily that they are entirely fictional, probably put forward in order satisfy the local Australian industry sectors but unable to be substantiated in fact.
The full list of European Union food geographical

([5]) The subject of Article 22 of TRIPS.
([6]) About 120 Australian wine geographical indications are registered and protected.

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indications for which the European Union is seeking protection is not readily accessible and, indeed, the negotiations are currently being carried out in confidence. However, from the public consultations that Australia has had, it is clear that amongst the geographical indications for which protection is sought which raise concerns amongst Australian producers, are the geographical indications Feta, Gruyere and Parmesan (the latter of which is not, of course a geographical indication but which is the well-accepted name for Parmigiano-Reggiano). There are a number of other European Union geographical indications that are also apparently disputed by the Australian agricultural sector, principally in the dairy industry.

*6.- Australian Government Public Consultation*

The Australian government has sought in its public objections procedure, indications from interested parties who have been invited to object to the protection of proposed European Union geographical indications where, for example, the European Union geographical indication:
- is used in Australia as a common name for the relevant good or
- is used in Australia as a name of a plant variety or animal breed or
- is identical to or likely to cause confusion with a trade mark or geographical indication that is registered or the subject of a pending application in Australia or
- is identical or likely to cause confusion with an unregistered trade mark or geographical indication that has acquired rights through use in Australia.

Most interestingly, the Australian government has also widely consulted about what type of geographical indication system should be implemented if Australia does indeed introduce its own system of geographical indications for agri-food products. One proposal is to amend the Australian Trade Marks legislation to introduce a new Part of that legislation that deals with such geographical indications. The second alternative is to introduce *sui generis* legislation, which will create a new form of protected rights, namely agri-food geographical indications.
It also seems clear from the manner in which the consultation process has proceeded that, irrespective of the precise legislative scheme that might be implemented, Intellectual Property Australia (the Patents Office, Trade Marks Office and Designs Office) will have the responsibility for the administration of such a new scheme, irrespective of where any such legislative provisions are placed.

*7.- Submissions to IP Australia*

There have been quite several public submissions made to the Australian government. The material set out below has been taken from a submission which the author helped to write, and which was lodged by the IP Committee and ITS Geographical Indications Sub-committee. The submission is a public document open for review by anyone.
The Law Council submission is that it supports the introduction of an agri-food geographical indication system for Australia. It further recommends strongly that any such a system introduced comply with the TRIPS definition of geographical indications. When Australia introduced wine geographical indications in 1993 because of the Wine Treaty, the definition that was used for such geographical indications arguably did not comply with the TRIPS definition or with the definition contained in the Wine Treaty. The definition that was used for Australian wine geographical indications, until the law was amended in 2010, allowed for the use of an Australian geographical indication for wine provided that 85% of the grapes used to make the wine in question emanated from the geographically defined region. There was no other obligation or control on the characteristics or qualities of the wine, of the grapes, of the manner of viticulture or the manner of vinification. The IP Committee does not support introduction of

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agri-food geographical indications that uses a similar type of system. What type of geographical indications would be created in a new agri-food geographical indication system is unknown but given that Australia's definition of wine geographical indications was amended in 2010[7] to follow the TRIPS definition of geographical indications, that is hopefully a good sign that the same definition would be used.

*8.- Open Questions about any Australian agri-food geographical indication system*

There are several open questions which are being considered by the policy makers.
1. Which Government authority will be given the power to regulate or administer any new system of agri-food geographical indications?
2. Which will be the body/authority/committee to which applications for Australian agri-food geographical indications will be made?
3. What will the qualifications be of the persons who are decision makers of any such a body/authority/committee? The IP Committee has urged that any such a body include a lawyer who well understands the principles of administrative law that must be applied by any such a body as well as at least one expert in the relevant agri-food industry/sector.
4. Will appeals from any decision of such a body/authority/committee be possible and to which body should any appeals be made? Will the system used for wine geographical indications, namely that appeals from decisions of that industry's geographical indication committee can be made to the Commonwealth Administrative Appeals Tribunal?[8]
5. Who can apply to register agri-good Australian geographical indication? Can any producer in the region make an application or can only representative bodies acting for multiple producers have such a right?
6. Who can enforce/protect Australian registered agri-food geographical indications? Rather than limit the rights to protect a geographical indication to the professional organisation (which may or may not exist but) which has responsibility for administration of an agri-food geographical indication, suggestions have been made that (like the Australian Consumer Law which entitles any person to take litigation to prevent, for example, misleading or deceptive conduct) any person should be entitled to take action to enforce and protect a registered agri-food geographical indication. Yet again this is an open question, and it is not known what the outcome will be of the ongoing considerations by the IP Australia policy team.
7. Should breaches of any laws protecting Australian or indeed EU or other country agri-food geographical indications be punishable by criminal penalties. There is no unanimity of opinion as to whether criminal penalties should be available, but it has been noted to IP Australia that the current legislative scheme in place for the registration and protection of wine geographical indications does include the availability of criminal penalties for breaches.
It has been clear from a number of decisions of the Australian Trade Marks Office, which is the office that has been mooted as potentially having responsibility for any new agri-food geographical indications, that its officers have been applying pure trade mark concepts to geographical indications and do not appreciate the crucial distinctions between geographical indications and trade marks. Whilst Australia has not implemented the TRIPS agreement by way of introducing non-wine geographical indications, the Australian government asserts that it does indeed protect non-wine geographical indications through the trade mark

([7]) See Australian Wine and Brandy Corporation Amendment Act 2010 (NO. 98, 2010)
([8]) The popularity of appeals being able to be made to the Commonwealth Administrative Appeals Tribunal waned dramatically after a very lengthy and extremely costly appeal in the Coonawarra wine region matter resulted in a decision which was overturned by the Full Federal Court of Australia on virtually every relevant basis.

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certifications mark system. Having said that, it is clear that some senior officers of the Trade Marks Office have are unaware of the fundamental differences between trade marks that they have been dealing with daily, and geographical indications which are simply different types of intellectual property albeit with some common elements. A prime example is the IP Australia website which, throughout 2021, raised questions for public comment and referred to the concept of a "geographical indication owner". Clearly geographical indications do not have owners but do have commonly professional organisations who might be responsible for the administration of the laws protecting or administering other aspects of the geographical indication in question. Another question put forward by IP Australia for public consultation was whether there should be "multi-class" geographical indications in the same way that there are multi-class trade marks. Such a question shows a worrying level of misunderstanding as to what geographical indications actually are.

Thus, the IP Committee, amongst others, has made submissions to IP Australia that if there is to be a new system of agri-food geographical indications, that it should be administered by a specialised group that is not comprised of representatives of the Trade Marks Office.

Another open question is whether there will be changes made to the existing legal system protecting wine geographical indications or whether that legislation will be merged with the prospective new Australian agri-food geographical indications. There is no answer to that question at the moment, but that it is a matter of interest that needs to be watched.

A further question is whether those European Union agri-food geographical indications that are not on the current list that the European Union has put to Australia, can be protected by any new Australian agri-food geographical indication system. The answer is likely to be that once any system is put in place, further applications can be lodged and will need to comply with the administrative requirements of whatever system is implemented.

As you have read, there are a large number of open questions about any possible new Australian agri-food geographical indications. If the negotiations with the European Union do not reach a successful conclusion, is it axiomatic that Australia will not introduce its own agri-food geographical indications system?

There are doubtlessly a number of other open questions that need to be considered and which will finally see the light of day should Australia decide whether with or without a concluded treaty with the European Union, to implement an agri-food geographical indications system. However, of interest is the fact that whether Australia proceeds to implement such a system would appear now be entirely de-linked from any considerations of comity with the United States of America. Australia is making its own path and negotiating its own free trade agreement without concern for whether we are marching along the same path as some of other "new world" countries.

Although the concept of geographical indications is still not widely understood in Australia, our country has come a long way since the 1980s. However, the number of lawyers and government officers with any true understanding of the relevant concepts of geographical indications is still a double-digit number, and probably a low one at that.

***ABSTRACT***

*Da circa tre anni l'Australia e l'Unione Europea stanno negoziando un accordo di libero scambio. Uno dei punti chiave di tale negoziato, che è stato al centro di un acceso dibattito, è la richiesta da parte dell'Unione che l'Australia protegga le indicazioni geografiche alimentari e agroalimentari UE.*

*L'Australia ha respinto pesantemente tale richiesta anche se, come spiegato nel lavoro, ciò sembrerebbe dovuto a un numero relativamente piccolo di nomi inclusi nell'elenco delle indicazioni geografiche alimentari dell'UE che l'Australia non desidera riconoscere né proteggere come indica-*

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*zioni geografiche. Per comprendere questo dibattito, è necessario considerare la storia australiana delle indicazioni geografiche in modo da comprendere l'approccio del governo australiano.*

*Australia and the European Union have been negotiating a free trade agreement for three or so years. One of the key issues in those negotiations that has been the centre of quite vigorous debate, is the request by the European Union that Australia protect European Union food and agri-food geographical indications.*
*Australia has been pushing back heavily on this request although, as explained in this paper, this would seem to apparently be because of a relatively small number of names which are included amongst the list of European Union food geographical indications which Australia does not wish to recognise nor protect as geographical indications. To understand this debate, one needs to consider the Australian history of geographical indications so as to understand the Australian Government mindset.*

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