A Submission to the Joint Standing Committee on Treaties on the Agreement Between Australia and the European Community on Trade in Wine 2009

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THE AGREEMENT BETWEEN AUSTRALIA AND THE EUROPEAN COMMUNITY ON TRADE IN WINE 2009

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It is clear that inherited landscape myths and memories share two common characteristics: their surprising endurance through the centuries and their power to shape institutions that we still live with. National identity, to take just the most obvious example, would lose much of its ferocious enchantment without the mystique of a particular landscape tradition: its topography mapped, elaborated, and enriched as a homeland. The poetic tradition of *la douche France* – ‘sweet France’ – describes a geography as much as a history, the sweetness of a classically well-ordered place where rivers, cultivated fields, orchards, vineyards, and woods are all in harmonious balance with each other.

Simon Schama, *Landscape and Memory*

A single glass of champagne imparts a feeling of exhilaration. The nerves are braced, the imagination is agreeably stirred; the wits become more nimble. A bottle produces the contrary effect. Excess causes a comatose insensibility. So it is with war: and the quality of both is best discovered by sipping.

Winston Churchill

I get no kick from champagne.
Mere alcohol doesn't thrill me at all,
So tell me why it should be true
That I get a kick out of you?

Cole Porter, ‘I Get a Kick Out of You’

Um, it's a hard grape to grow, as you know. Right? It's uh, it's thin-skinned, temperamental, ripens early. It's, you know, it's not a survivor like Cabernet, which can just grow anywhere and uh, thrive even when it's neglected. No, Pinot needs constant care and attention. You know? And in fact it can only grow in these really specific, little, tucked away corners of the world. And, and only the most patient and nurturing of growers can do it, really. Only somebody who really takes the time to understand Pinot's potential can then coax it into its fullest expression. Then, I mean, oh its flavors, they're just the most haunting and brilliant and thrilling and subtle and... ancient on the planet.

Miles Raymond, a character in the film *Sideways* (2004)
EXECUTIVE SUMMARY

I am a senior lecturer and the associate director for research at the Australian National University College of Law based in Canberra, Australia. I have a BA (Hons) and a University Medal in literature, and a LLB (Hons) from the Australian National University, and a PhD in law from the University of New South Wales. I am a member of the Copyright and Intellectual Property Advisory Group of the Australian Library and Information Association, and a director of the Australian Digital Alliance. I am the author of two books, Digital Copyright and the Consumer Revolution: Hands off my iPod, and Intellectual Property and Biotechnology: Biological Inventions, and the editor of the collection, Patent Law and Biological Inventions, and co-editor of the collection, Incentives for Global Public Health: Patent Law and Access to Essential Medicines. I have also published three book chapters and thirty-eight refereed articles.

I am also an associate director of the Australian Centre for Intellectual Property in Agriculture (ACIPA). ACIPA is a research centre based at the law schools of the Australian National University in Canberra, and the University of Queensland, Griffith University in Brisbane. It commenced operations in September 2000 to undertake research in issues relating to intellectual property law, and apply that knowledge to the scientific community and industry and rural bodies. The Centre’s ultimate purpose is to foster an active environment in which Australia better protects and capitalises the products of research and innovation. ACIPA has conducted a wide range of research in respect of intellectual property and agriculture. Of particular concern has been the areas of plant breeders’ rights, genetic patents, access to genetic resources, traditional knowledge, and geographical indications. ACIPA has also held a variety of seminars, workshops, and conferences, exploring both the practical and theoretical dimensions of intellectual property and agriculture.

Geographical indications are defined under the TRIPS Agreement 1994 (US) as “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”. Geographical indications involve a consideration of intellectual property law,
international trade law, and agricultural policy. This submission will consider the intersection between these fields of regulation.

This submission is a personal response to the *Agreement between Australia and the European Community on Trade in Wine* 2009; and a more impersonal effort to give the Joint Standing Committee on Treaties a better appreciation of the rich, detailed, and multi-disciplinary literature, which exists in respect of the contentious issue of geographical indications, intellectual property, and international trade.

In the submission, I make the following arguments:

1. **The Joint Standing Committee on Treaties should consider the origin and evolution of European geographical indications – and take note of recent efforts to extend the boundaries of the ‘Champagne’ wine region.**

2. **The Joint Standing Committee on Treaties should scrutinise the full range of economic, social, political, and cultural justifications for the expanded protection of geographical indications.**

3. **It is puzzling that the Australian Government is so keen to enter into a bilateral agreement with the European Community on geographical indications, given the recent history of bitter and contentious disputation over geographical indications at a multilateral level.**

4. **There is a need for the Joint Standing Committee on Treaties to conduct a proper evaluation of the *European Community-Australia Wine Agreement* 1994, before contemplating the adoption of the much more extensive *Agreement between Australia and the European Community on Trade in Wine* 2009.**

5. **There is a need for a detailed econometric assessment of the *Agreement between Australia and the European Community on Trade in Wine* 2009, to evaluate impacts on Australia’s economic well-being; to identify any structural**
or institutional adjustments that might be required by such an agreement; and to evaluate the social, regulatory, cultural and political impacts of the agreement.

6. The Australian Government should review the interaction between the *Trade Marks Act* 1995 (Cth) and geographical indications.

7. The legal disputes over the boundaries of the geographical indications for Coonawarra and King Valley highlight the need for a review of the provisions of the *Australian Wine and Brandy Corporation Act* 1980 (Cth), and the *Australian Wine and Brand Corporation Regulations* 1981 (Cth), dealing with geographical indications.

8. The Australian Government should resist the expansionist agenda of the European Union to extend the protection of geographical indications to foodstuffs.

9. It is curious that the Australian Government is signing a 221-page treaty to protect French, German, Spanish and other European traditional expressions, but is yet to support the protection of the traditional knowledge of Indigenous Australians.
1. **A HISTORY OF GEOGRAPHICAL INDICATIONS**

There is a need to appreciate the origin and the evolution of the legal doctrine of “geographical indications”. In particular, it is worthwhile exploring the establishment of *Appellation d’origine contrôlée* (AOC), for French geographical indications for wine, cheese, and other agricultural products.

In the European Union, the cultivation, production and labelling of wine are governed by the wine laws of individual members. There remains great debate as to whether such laws are best classified as a species of intellectual property, or a feature of agricultural policy.¹

In France, there are several layers of legal protection afforded to ‘appellations of origin’.² ‘Appellations of origin’ refer to geographical designations – such a country, region or locality – which signify that products originating therein, the quality and characteristics of which are exclusively or primarily to the geographical environment, including natural and human factors. Each controlled appellations of origin is recognised by a decree which delimited the specific area to which the appellation pertains but also specifies the grape varieties, and methods of planting, harvesting, and production to be used. The purpose of such laws are to provide consumers with a guarantee that only approved practices are employed in the production of the wine and that standardized information regarding the nature and origin of the wine is as shown in the label.

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The system of ‘appellations of origin’ is administered by the Institut National des Appellations de Origine is a public body, under the aegis of the French Ministry of Agriculture. The Institut National des Appellations de Origine and French wine producers have taken concerted legal action – coupled with intense lobbying for the protection of geographical indications at a national and international level - to protect their established markets by playing for favourable rules in the court.

Although the protection of GIs, as it emerged during the nineteenth century and then evolved from piecemeal regulation to generally applicable administration, was gradually strengthened and the use of names such as Champagne brought under control within France, unrestrained use of French names continued abroad. International treaties such as Paris 1883 and Madrid 1891 did contain provisions against false indications of origin. But neither these nor more specific treaties signed during the twentieth century in particular Lisbon-had much effect outside a small number of jurisdictions that already favoured registered GIs. Thus, before the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and recent bilateral agreements, it fell to non-State actors to pursue the cause of the protection of GIs around the globe.3

In J Bollinger v Costa Brava Wine Co Ltd, the wine manufacturer, Bollinger, and eleven other producers from the Champagne district in France, sought an injunction restraining the sale of this wine, contending that the public were being deceived into thinking that it was the genuine article – wine produced in the Champagne district by the true ‘methode champenoise’.4 In a preliminary decision, Danckwerts J held that if the plaintiffs could indeed establish that consumers could be deceived in this way they would have a good cause of action. The judge recognised that any wine aficionado would be aware that the Champagne district is in France, not Spain. Nonetheless, he feared that many unfamiliar with the nature and production of wine would be deceived by the name ‘Spanish Champagne’.5

In the case of Comite Interprofessionel du Vin de Champagne v NL Burton Pty Ltd, the French wine producers failed in their attempt to replicate in Australia their success

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in the Spanish Champagne case. It was held in that since the term ‘champagne’ had come to connote any wine produced by something approximating the ‘methode champenoise’, whether in the Champagne district or not, Australian consumers would not be deceived by its use in connection with wines made outside that district. The judge observed: ‘There may be a measure of confusion and some private consumers may be troubled even, in some cases, to the extent of being misled until the point of purchase by the use of the words ‘imported champagne’, but I do not think that this is any different to the position which has existed for some little time.’

In France, there has been great pressure to enlarge the boundaries of famous appellations of origins.

In response to a potential shortage of grapes and demands from local mayors, the Institut National des Appellations d'Origine has embarked upon a major revision of the legal boundaries of Champagne. In 2003, the Institut worked on defining fresh criteria for entry, and sent five scientists out to survey soil, climate and the historical location of vines. In 2007, the scientific team recommended 40 villages or communes for consideration. In addition, two communes may lose their grape-grower status.

In March 2008, the national committee of the Institut National des Appellations d'Origine will vote upon the recommendations made by the scientific committee. After such a process, there will be opportunity for public comment. There has already been great controversy over the inclusion and exclusion of communes from the list developed by the scientific committee. The mayor of Péas is pleased to his town was on the list: ‘Like many mayors in the region, he can cite city archives that show that champagne grapes grew in his town up until the early 1900s, gradually disappearing as phylloxera, war and the depressed world economy made food crops more

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9 Ibid.
10 Ibid
desirable’. However, the area of Aisne, north of Péas, is livid that 35 communes from the area have been excluded from the list. A group representing the landowners of Aisne has filed a complaint with the European Court of Human Rights in 2006.

The Australian Government should be wary of European wine and food manufacturers extending geographical indications, such as the wine region for ‘Champagne’.

1. The Joint Standing Committee on Treaties should consider the origin and evolution of European geographical indications – and take note of recent efforts to extend the boundaries of the ‘Champagne’ wine region.

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11 Ibid.
12 Ibid.
2. THE THEORETICAL DEBATE OVER GEOGRAPHICAL INDICATIONS

Second, the proposed Agreement between Australia and the European Community on Trade in Wine 2009 needs to be considered in light of the longstanding theoretical debates over geographical indications.

A range of economic, social, political, and cultural arguments have been advanced both in favour and against “geographical indications”. Rhonda Chesmond sums up the range of justifications provided for geographical indications:

The geographical indication of origin (GI) is a type of intellectual property right that has had a long history within Europe, but has only been in the international spotlight for a relatively short time. GIs are somewhat unique intellectual property rights because of their nature as a collective rather than an individual right, and their potentially infinite life span. There is no doubt that the primary purpose of a GI right is inexorably linked to economics and trade. However, the protection they afford has also been justified on cultural grounds. For example, Conrad states: "It is important to understand that those countries which have a strong tradition of recognising geographical indications are not only concerned about the economic consequences of a dilution of their geographical names, but also about part of their 'cultural heritage'."\(^{13}\)

Chesmond notes that ‘there is little doubt that the international IP debate on GIs will continue unabated for some time yet, and any prospective resolution will be grounded firmly in the areas of economics and trade’.\(^{14}\) She notes, though, that there is a need to engage with the cultural justifications for geographical indications as well: ‘It has been argued that justifications for intellectual property rights are valid on cultural grounds if what is sought to be protected can be said to be credibly cultural’.\(^{15}\) Chesmond notes: ‘The protection of GIs does constitute protection of culture on the

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\(^{14}\) Ibid.

\(^{15}\) Ibid.
grounds of tradition, heritage, history, and identity.’\textsuperscript{16} She comments: ‘While well-reasoned doubts have been expressed by commentators as to the validity of cultural justifications for GIs, it is possible to make analogies with cultural justifications for other forms of intellectual property such as trade marks and traditional knowledge.’\textsuperscript{17}

A Bond University academic, William van Caenegem, provides an equable assessment of the range of benefits and costs that must be addressed before the adoption of a geographical indications registration scheme:

Registered GI systems are as much an instrument of agricultural policy as intellectual property. There are arguably cogent arguments in favour of continuing reliance on registered GIs in the European Union and in other jurisdictions where the system is of long standing and supports the protection of traditional rural production methods, also providing guarantees of consistent product quality. In such countries the investment in establishing a system has already been amortised. Small-scale production is common and rural products are often marketed without further modifications to end users. There is a strong identification between food and place in Europe which is absent in much of the new world, such as Australia and the Americas. It may also be justified that Europe "gets some of its GIs back", for now lost outside its borders.

But all Member States should be afforded the opportunity to consider whether GI registration systems are in their national economic interest. They may or may not fit within the wider domestic policy matrix. There may be little realistic prospect of regaining control over domestic GIs in foreign markets, because of existing TRIPs exceptions and the doubtful status and outcome of the agriculture negotiations proposals. The costs of a domestic GI register may outweigh its benefits, and even if such a register is geared only to the protection of foreign GIs on a multilateral register, compliance costs, both in terms of examination with a view to challenging, and in terms of enforcement, may be quite considerable. Other options, such as existing trade mark law branding strategies, which there is no reason not to employ in rural industries, or certification and collective marks, may present a cheaper, more flexible option, and come at little additional cost to the taxpayer.

Countries newly introducing GI registration would have to absorb considerable costs long before any tangible benefits are experienced. GIs require expenditure on international promotion as well as possible legal actions. Although some expenses might be spared by automatic multilateral protection through inclusion on a register, such inclusion does not bring commercial success in and of itself. It may also be that other barriers to exports into countries such as those of the European Union may substantially hamper trade, whether or not GI

\textsuperscript{16} Ibid.

\textsuperscript{17} Ibid.
registration is in place. GI registration does not overcome difficulties that may exist in terms of quarantine, labelling, phyto-sanitary criteria and broader agricultural trade dynamics.\(^{18}\)

William van Caenegem observes: ‘If we accept that the key question is whether GIs are a desirable domestic policy instrument, above all else sufficient time is required for this question to be given detailed consideration in member countries.’\(^{19}\) He notes: ‘Proposals that unduly limit this time are questionable on that ground alone.’\(^{20}\)

William van Caenegem notes that the use of trade marks may be a more appropriate means of protecting agricultural produce in some jurisdictions:

> While some geographical terms from European countries may benefit from an established worldwide reputation—whether enhanced by imitation or not—the investment required to generate positive consumer recognition for little-known terms is very considerable. Such efforts at differentiation can only generate adequate returns in the long run. It may also be that there are more flexible alternatives available for the promotion of local reputation, such as certification trade marks, or that reliance on corporate brands is a perfectly effective tool for the promotion of rural and agricultural produce, just as it is for other products.\(^{21}\)

There has been criticism from some countries that geographical indications could be a form of trade protectionism, an anti-competitive measure which could harm both consumers and producers of agricultural produce.

For his part, Michael Handler observes that geographical indications in Australia have tended to be justified in terms of consumer protection, rather than agricultural policy. He notes:

> In contrast with the EU, Australia regulates GIs in a very different manner. The major reason for this is that it does not share the EU’s agricultural policy. The Australian Government does not manage and control agricultural production as directly as does the EU, and in particular

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\(^{19}\) Ibid.

\(^{20}\) Ibid.

does not seek to intervene in the market for particular goods by subsidising traditional, regional producers. Rather, its agricultural policy aims generally to encourage greater competition, innovation and efficiency in farming practices. The Australian agricultural sector is characterised by a high degree of private control over production, which in turn results in production being dictated more by the cost of obtaining raw materials and the ultimate quality of goods than by fixed geographical location. To the extent that Australia has sought to regulate the marketing of foodstuffs, this has not generally been on the basis of perceived quality links between the goods and their geographical origin. Rather, Australia’s major, and more straightforward, concern tends to be that of consumer protection. This is reflected in Australian law: instead of a registration scheme for agricultural GIs, Australian law tends to proscribe the use of a geographical term in relation to goods to the extent that such use misleads consumers into believing that the term indicates the actual place of origin of the goods.22

He concludes that ‘Australia’s conception of a GI as an object of legal protection is as a mere indication of source, rather than as a signifier of certain qualities, characteristics or reputation. In the legal protection it provides, it therefore complies with, but does not exceed, the minimum standards in Art 22 of TRIPs.’23

2. The Joint Standing Committee on Treaties should scrutinise the full range of economic, social, political, and cultural justifications for the expanded protection of geographical indications.

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23 Ibid.
Third, the proposed bilateral agreement should be considered against the backdrop of the international framework of protection in respect of geographical indications.

There has been a longstanding international debate over the protection of geographical indications. Irene Calboli has commented that there has been a division between the “Old World” and “New World” producers of wine and other agricultural foodstuffs:

Countries have long quarrelled about the extent of protection of “their” GI, that is, the names they used to identify products grown or manufactured on their soil. Fierce defenders of GI protection, European countries have traditionally advocated that GI should not be used by unrelated parties because GI identify the unique qualities, characteristics, and reputation of the products to which they are affixed; thus, should others use GI improperly, consumers would be confused as to the origin of the products. To this claim, the United States and other “new world” countries have generally responded by pointing out that many GI are generic terms on their soil, such as “champagne” or “Chablis,” and, thus, consumers could not be confused as to the origin of the products identified by these terms. Accordingly, they have traditionally defended the right of their nationals to use foreign generic GI in their countries as they see fit.24

The European Union has adopted a ‘maximalist’ position, arguing for extensive international protection for appellations of origin. The United States has defended a ‘minimalist’ position, contending that geographical indications are adequately protected under a trade mark system.25 Australia has a ‘middling’ position, providing protection under trade mark law and a specialist geographical indications regime.

The TRIPS Agreement 1994 lays down the following obligations in respect of the protection of geographical indications.

Article 22


Protection of Geographical Indications

1. 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.

2. In respect of geographical indications, Members shall provide the legal means for interested parties to prevent:

   (a) the use of any means in the designation or presentation of a good that indicates or suggests that the good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the good;

   (b) any use which constitutes an act of unfair competition within the meaning of Article 10bis of the Paris Convention (1967).

3. A Member shall, ex officio if its legislation so permits or at the request of an interested party, refuse or invalidate the registration of a trademark which contains or consists of a geographical indication with respect to goods not originating in the territory indicated, if use of the indication in the trademark for such goods in that Member is of such a nature as to mislead the public as to the true place of origin.

4. The protection under paragraphs 1, 2 and 3 shall be applicable against a geographical indication which, although literally true as to the territory, region or locality in which the goods originate, falsely represents to the public that the goods originate in another territory.

Article 23

Additional Protection for Geographical Indications for Wines and Spirits

1. Each Member shall provide the legal means for interested parties to prevent use of a geographical indication identifying wines for wines not originating in the place indicated by the geographical indication in question or identifying spirits for spirits not originating in the place indicated by the geographical indication in question, even where the true origin of the goods is indicated or the geographical indication is used in translation or accompanied by expressions such as “kind”, “type”, “style”, “imitation” or the like.

2. The registration of a trademark for wines which contains or consists of a geographical indication identifying wines or for spirits which contains or consists of a geographical indication identifying spirits shall be refused or invalidated, ex officio if a Member's legislation so permits or at the request of an interested party, with respect to such wines or spirits not having this origin.

3. In the case of homonymous geographical indications for wines, protection shall be accorded to each indication, subject to the provisions of paragraph 4 of Article 22. Each Member shall determine the practical conditions under which the homonymous indications in question will be differentiated from each other, taking into account the need to ensure equitable treatment of the producers concerned and that consumers are not misled.
4. In order to facilitate the protection of geographical indications for wines, negotiations shall be undertaken in the Council for TRIPS concerning the establishment of a multilateral system of notification and registration of geographical indications for wines eligible for protection in those Members participating in the system.

Article 24

International Negotiations; Exceptions

1. Members agree to enter into negotiations aimed at increasing the protection of individual geographical indications under Article 23. The provisions of paragraphs 4 through 8 below shall not be used by a Member to refuse to conduct negotiations or to conclude bilateral or multilateral agreements. In the context of such negotiations, Members shall be willing to consider the continued applicability of these provisions to individual geographical indications whose use was the subject of such negotiations.

2. The Council for TRIPS shall keep under review the application of the provisions of this Section; the first such review shall take place within two years of the entry into force of the WTO Agreement. Any matter affecting the compliance with the obligations under these provisions may be drawn to the attention of the Council, which, at the request of a Member, shall consult with any Member or Members in respect of such matter in respect of which it has not been possible to find a satisfactory solution through bilateral or plurilateral consultations between the Members concerned. The Council shall take such action as may be agreed to facilitate the operation and further the objectives of this Section.

3. In implementing this Section, a Member shall not diminish the protection of geographical indications that existed in that Member immediately prior to the date of entry into force of the WTO Agreement.

4. Nothing in this Section shall require a Member to prevent continued and similar use of a particular geographical indication of another Member identifying wines or spirits in connection with goods or services by any of its nationals or domiciliaries who have used that geographical indication in a continuous manner with regard to the same or related goods or services in the territory of that Member either (a) for at least 10 years preceding 15 April 1994 or (b) in good faith preceding that date.

5. Where a trademark has been applied for or registered in good faith, or where rights to a trademark have been acquired through use in good faith either:

   (a) before the date of application of these provisions in that Member as defined in Part VI; or
   
   (b) before the geographical indication is protected in its country of origin;

measures adopted to implement this Section shall not prejudice eligibility for or the validity of the registration of a trademark, or the right to use a trademark, on the basis that such a trademark is identical with, or similar to, a geographical indication.
6. Nothing in this Section shall require a Member to apply its provisions in respect of a geographical indication of any other Member with respect to goods or services for which the relevant indication is identical with the term customary in common language as the common name for such goods or services in the territory of that Member. Nothing in this Section shall require a Member to apply its provisions in respect of a geographical indication of any other Member with respect to products of the vine for which the relevant indication is identical with the customary name of a grape variety existing in the territory of that Member as of the date of entry into force of the WTO Agreement.

7. A Member may provide that any request made under this Section in connection with the use or registration of a trademark must be presented within five years after the adverse use of the protected indication has become generally known in that Member or after the date of registration of the trademark in that Member provided that the trademark has been published by that date, if such date is earlier than the date on which the adverse use became generally known in that Member, provided that the geographical indication is not used or registered in bad faith.

8. The provisions of this Section shall in no way prejudice the right of any person to use, in the course of trade, that person's name or the name of that person's predecessor in business, except where such name is used in such a manner as to mislead the public.

9. There shall be no obligation under this Agreement to protect geographical indications which are not or cease to be protected in their country of origin, or which have fallen into disuse in that country.

In 2003, Australia and the United States complained to the World Trade Organization about European Community regulations concerning the protection of trademarks and the registration and protection of geographical indications: World Trade Organization Panel Decision on the European Union’s Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs 2005 WT/DS290/R.

In 2005, the World Trade Organization Panel found that the equivalence and reciprocity conditions in respect of geographical indications protection under the European Community regulation violated the national treatment obligation under Article 3 of the *TRIPS Agreement* 1994 by according less favorable treatment to foreign nationals than to European Community nationals. However, the Panel determined that the Regulation was justified under Article 17 of the *TRIPS Agreement* 1994, which permits Members to provide limited exceptions to the rights conferred by trademarks, provided that such exceptions take account of the legitimate interests of the owner of the trademark and of third parties.
Antony Taubman has reflected upon the possible ramifications of the ruling:

The impact of this decision on broader negotiating and trade interests can only be assessed over time. Given the political and trade negotiation context of the dispute, it is unlikely to be considered purely in terms of immediate market access. The outcome of the dispute did not appear to limit the EU’s capacity to exclude non-geographical indication uses of terms it has registered as geographical indications. The dispute was followed by the finding of the European Court of Justice that ‘feta’ was a legitimate geographical indication and not a generic term, so that the capacity of the EU regulator to create incursions on the public domain of language was not affected. No pre-existing Australian trademarks were cited in the dispute: the principal trademark referenced was ‘Bud’ or ‘Budweiser’. While Australia has been ambivalent about the economic benefits of geographical indication protection from a government and industry perspective, one effect of the dispute — due to the strengthening of access to foreign geographical indication interests — may be to facilitate geographical indication protection in the EU for developing countries which may not otherwise have been able to meet the EU’s standards for reciprocity and equivalence, or whose producers might have had limited capacity to surmount the additional regulatory burdens addressed by the Panel’s report. For instance, Colombia has reportedly since sought protection in the EU for ‘Café de Colombia’ as a Protected Designation of Origin; access to the EU system may be facilitated by the Panel’s findings, precisely because it confirms the need to eliminate ‘additional steps’ that may have made access to geographical indication protection especially difficult for developing countries with resource constraints.26

Furthermore, he notes: ‘While the EC — Trademarks and Geographical Indications decision hinged on such conventional trade law issues as national treatment and non-discrimination under GATT 1994, the trademark–geographical indication coexistence issues discussed in the case do shed authoritative light on the distinct character of rights associated with non-rivalrous intangible property and, in this case, with potentially polyvalent signs’.27 Taubman noted: ‘The case accordingly reads the geographical indication provisions of the TRIPS Agreement as allowing for continuing use of overlapping legitimate trademarks, as a kind of ‘fair use’ of the geographical


27 Ibid.
indication (not dissimilar to the right to continue prior use under patent law, or fair use under copyright).  

3. It is puzzling that the Australian Government is so keen to enter into a bilateral agreement with the European Community on geographical indications, given the recent history of bitter and contentious disputation over geographical indications at a multilateral level.

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28 Ibid.
4. THE EUROPEAN COMMUNITY-AUSTRALIA WINE AGREEMENT 1994

On 6 December 1992, it was announced that the Australian Government and European Commission officials had negotiated the text of a bilateral wine agreement aimed at improving the bilateral wine trade.\textsuperscript{29} The \textit{European Community-Australia Wine Agreement} 1994 entered into force in 1994.\textsuperscript{30} It could be described as a TRIPS-Plus Agreement, because its obligations far exceed those of the \textit{TRIPS Agreement} 1994.

In their second reading speeches, the Hon. Simon Crean and Senator Bob McMullan commented that there had been a long tradition of Australian wine-makers relying upon European geographical names to denote certain styles of wine-making:

\begin{quote}
We have used European geographical names to denote a style of wine for more than a hundred years. Migrants often brought these names to Australia and used them to describe a familiar style of wine; the names have become generic. Names like ‘champagne’ have been used to describe a dry sparkling wine. Once protection commences, both European and Australian geographical indications will only be used to indicate the true place of origin of the wine. Thus the name ‘champagne’ will only be used to describe wine made in the 'Champagne' region of France.\textsuperscript{31}
\end{quote}

The Australian Government declined to adopt the restrictive ‘appellations of origin’ system used in the European Union. It was of the view that the Australian wine industry had been able to flourish because of its ability to produce wine of good quality and with distinctive characteristics, without the outdated controls or

restrictions of the *ancien régime* of the European Union. The Australian Government instead agreed to provide protection for ‘geographical indications’.

The Ministers observed of the content of the European Community-Australia Wine Agreement 1994:

The Agreement provides for the mutual recognition of each Party's winemaking practices and standards; it affords mutual protection to each Party's geographical indications, that is, the names of our wine regions such as Coonawarra and Hunter Valley; it reduces the number of analyses the EC requires of Australian wines from 8 to 3; it allows Australian winemakers to market wines in the EC labelled with multi-varietal and multi-regional blends; and it allows the export of Australian sweet wines such as the justly famous De Bortoli ‘Noble One’ to the European Community—previously not permitted. Importantly, it prevents either party from introducing additional certification requirements on imports of each other's wines. 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.  

The Ministers observed that the legislation would help define the boundaries of Australian geographical indications, presciently mentioning Coonawarra:

Where does Coonawarra end and Riverland start? This question is just as relevant for Australian wine consumers. By defining the boundaries of our geographical indications, this bill will give greater certainty to enforcement of the Label Integrity Program provisions of the Act, which require winemakers to keep records to substantiate label claims of the vintage, variety or geographical indication of wine. The bill will give consumers the guarantee that when wine is labelled ‘Coonawarra’, the grapes from which the wine was made came from within the defined boundaries of the Coonawarra region.  

Little did the politicians know that there would be extended decade long period of litigation over the boundaries of the Coonawarra region; and result in other legal disputes.

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32 Ibid.  
33 Ibid.
Although supporting the agreement, Senator Meg Lees of the Democrats expressed reservations about the legislation authorising the Australian Wine and Brandy Corporation to define the names and boundaries of Australia’s wine making regions:

Winemakers have expressed to me that they support the definition of boundaries as it protects the high prices that they often paid for their land. However, to again use the Coonawarra as an example, there is already one challenge to the boundary that has been drawn around this region. Clearly the drawing of boundaries is a very difficult task and there will be winners and losers.  

Nonetheless, Lees was of the view that Australian wine-makers would adapt to the new system: ‘My discussions with winemakers in the Coonawarra region of South Australia suggest the process of phasing out European names is already well under way.’ She concluded: ‘With proper marketing, it will not take Australian consumers of wine and port long to learn that their favourite beverage is now sold under a new name.’

In retrospect, the European Community-Australia Wine Agreement 1994 has been subject to both procedural and substantive criticism. There has been criticism that the Australian Government entered into the bilateral agreement, without adequate consultation, and without proper scrutiny of the agreement, and its implications for agriculture, culture, economics, and trade. There has also been substantive criticism that the European Community-Australia Wine Agreement 1994 set up a regime for geographical indications, which was bedevilled by administrative complexity and uncertainty, legal conflict and disputation, and social disruption. There has also been concern that the promised market access to European agricultural markets was not as extensive as had been hoped. It would be worthwhile evaluating the European Community-Australia Wine Agreement 1994 to determine whether such concerns are justified.

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35 Ibid.

36 Ibid.
4. There is a need for the Joint Standing Committee on Treaties to conduct a proper evaluation of the European Community-Australia Wine Agreement 1994, before contemplating the adoption of the much more extensive Agreement between Australia and the European Community on Trade in Wine 2009.
5. THE AGREEMENT BETWEEN AUSTRALIA AND THE EUROPEAN COMMUNITY ON TRADE IN WINE 2009

It should be noted that the Agreement between Australia and the European Community on Trade in Wine 2009 is not merely a recapitulation or rearticulation of The European Community-Australia Wine Agreement 1994. It imposes a range of new obligations upon the Australian Government to provide enhanced protection of wine-related geographical indications and traditional expressions. The Agreement imposes a range of obligations on Australia, notably with respect to recognition and protection of EC wine-related Geographical Indications and Traditional Expressions. (Perhaps it should be described as a TRIPS-Double Plus Agreement, given the further obligations).

The National Impact Analysis summarizes the various impacts of the international agreement:

Australia will continue to be obliged to prohibit use of an extensive list of EC Geographical Indications to describe and present a wine sold in Australia or exported from Australia. The Agreement contains phase-out dates, which were not agreed in the 1994 Agreement, for some sensitive Geographical Indications. In particular, the obligation to prohibit use of the following names will arise only after 12 months of the Agreement entering into force: Burgundy, Chablis, Champagne, Graves, Manzanilla, Marsala, Moselle, Port, Sauterne, Sherry and White Burgundy. The impact of these changes is limited, with respect to non-fortified wine, because the industry has progressively moved away from using these Geographical Indications, instead categorising non-fortified wines by grape variety. The impact of the prohibition on use of EC Geographical Indications would be significant for Australia’s fortified wine industry, since Australia will be required to prohibit use of the term ‘Port’ within 12 months of the Agreement entering into force, and to prohibit use of the name ‘Tokay’ within 10 years of the Agreement entering into force. Australia will also be obliged to prohibit use of EC Traditional Expressions for wine produced in Australia. Traditional expressions are words or expressions used in the description and presentation of the wine to refer to the method of production, or to the quality, colour or type, of the wine. The proposed Agreement will affirm Australia's continued use, subject to certain conditions, of a number of EC claimed terms, notably ruby, tawny, vintage and cream which are important for the fortified wine sector in Australia and overseas markets. Australia will also be required to accept wine from the EC made using wine-making techniques authorised under the Agreement.
The National Impact Analysis downplays the impact of such higher standards of protection, asserting: ‘The impact on the Australian wine industry will be limited because it has shifted away from using European wine styles as a descriptor of Australian wines’. It noted: ‘The Government has agreed to an industry package to assist Australia’s fortified wine industry to develop new terms for its wine.’ The Australian Government has pledged to contribute $500,000 to the fortified wine industry to assist with the costs associated with phasing out some terms.

There has been much debate as to whether this new agreement will have a positive or a negative impact. Professor Mark Davison of Monash University commented:

There will be a couple of fairly major impacts on our industry, one being the transition costs associated with label changes. But the agreement would allow for a transition period. Secondly, they (the producers) are going to have to run some sort of marketing campaign to establish a reputation for whatever alternative name they use. People will have to get used to the idea that there will be no such thing as Australian port and Australian sherry. Interestingly, the use of the words port and sherry by winemakers has actually increased in the last decade. The producers will need to be very creative.  

Matthew Harvey observed: ‘The good news is that the Australian wine industry has responded creatively to the restrictions already imposed by using imaginative forms of naming and labelling and by establishing reputations for distinctive wine regions’.  

The National Impact Analysis emphasizes that the main justification for the adoption of the wine agreement, and the heightened standards of intellectual property protection, is the promise of greater market access:

The purpose of the Agreement is, on the basis of non-discrimination and reciprocity, to facilitate and promote trade in wine originating in the European Community. The new Agreement will facilitate improved market access to the EC for Australian wine-growers by: providing for EC recognition of 16 new Australian wine-making techniques; establishing an effective process for recognition of additional techniques; providing for EC recognition of new Australian geographical indications; and establishing a ‘stand-still’ clause by which the EC may not introduce laws in relation to the labelling of Australian wine that are more restrictive.

37 Lyn White, ‘Clampdown looms on regional names’, *Foodweek*, 9 June 2006
than those that apply at the time the proposed Agreement comes into force. The Agreement permits continued use of some quality terms which are commercially important for the Australian fortified wine industry.

Of particular note is that ‘the Agreement obliges the EC to permit the import and marketing of Australian wines produced using 16 additional wine-making techniques’. Moreover, the regime sets out ‘a simpler process for recognition of further techniques, with an option for disputes to be resolved by a binding arbitration.’

Antony Taubman has observed that trade negotiators should only accept high standards of geographical indications in return for demonstrable market benefits:

Rules regulating the denotation only of Geographical Indications are inherently more defensible and consumer-oriented than more rigorous protection that would suppress free-riding on any connotation as well. Trade negotiators should ensure they are paid handsomely in terms of market access on other fronts if they trade away not merely their producers' capacity to evoke the qualities of their rivals' goods, but even the terms customarily used in the market to designate their own goods: any such extreme incursion on the public domain as a constraint on the common tongue should serve a public good of high priority.39

He warns, though, of the difficulties of achieving fair trade in respect of geographical indications: ‘Yet negotiators have struggled for over a century, in peace conferences, trade negotiations, diplomatic conferences and numerous bilateral processes, to settle on a common conception of what ways of using GIs count as fair trade and what do not’.40

With such comments in mind, one wonders whether the Australian Government has achieved sufficient guarantees of market access in return for the heightened standards of protection of geographical indications under the Agreement between Australia and the European Community on Trade in Wine 2009.

40  Ibid.
Unfortunately, the Department of Foreign Affairs and Trade does not seem to have provided any independent assessment of the expected impacts of the Agreement between Australia and the European Community on Trade in Wine 2009, whether for good or ill. The failure of the Australian Government to engage in evidence-based treaty-making is a cause of some concern. Also of concern is the lack of public consultations in respect of the Agreement between Australia and the European Community on Trade in Wine 2009. The Department of Foreign Affairs and Trade seems to have just consulted government bodies and industry groups, rather than engaging in a wider range of consultations.

In the past, Australian Labor Party Senators have made a number of recommendations in respect of the treaty-making process in the context of the Australia-United States Free Trade Agreement 2004. In Recommendation 4, ‘Labor Senators recommend that Australian governments - prior to embarking on the pursuit of any bilateral trading or investment agreement - request the Productivity Commission to examine and report upon the proposed agreement’. They envisaged that ‘such a report should deliver a detailed econometric assessment of its impacts on Australia’s economic well-being, identifying any structural or institutional adjustments that might be required by such an agreement, as well as an assessment of the social, regulatory, cultural and environmental impacts of the agreement’. A clear summary of potential costs and benefits should be included in the advice.

Such advice is particularly sound in the context of Agreement between Australia and the European Community on Trade in Wine 2009 – especially given the disruption caused by its predecessor agreement. The Australian Parliament should honour and implement its previous commitments to improve the process for the negotiation, evaluation, and adoption of international trade agreements relating to Intellectual Property – especially those which contain ‘TRIPS-Plus standards’.

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42 Ibid.
43 Ibid.
5. There is a need for a detailed econometric assessment of the *Agreement between Australia and the European Community on Trade in Wine* 2009, to evaluate impacts on Australia’s economic well-being; to identify any structural or institutional adjustments that might be required by such an agreement; and to evaluate the social, regulatory, cultural and political impacts of the agreement.
6. GEOGRAPHICAL INDICATIONS AND TRADE MARK LAW

The regulatory impact statement notes: ‘The Trade Marks Act will need to be amended to ensure key definitions are consistent with the Australian Wine and Brandy Act, and to give power to the Registrar of Trade Marks to amend the Register consistently with the Agreement.’

S 6 of the Trade Marks Act 1995 (Cth) provides that a ‘geographical indication’, is defined ‘in relation to goods originating in a particular country or in a region or locality of that country’, as meaning ‘a sign recognised in that country as a sign indicating that the goods: (a) originated in that country, region or locality; and (b) have a quality, reputation or other characteristic attributable to their geographical origin.’

Presently, s 61 of the Trade Marks Act 1995 (Cth) provides the following rules in respect of opposition on the grounds that a trade mark contains or consists of a false geographical indication:

**Trade mark containing or consisting of a false geographical indication**

(1) The registration of a trade mark in respect of particular goods (relevant goods) may be opposed on the ground that the trade mark contains or consists of a sign that is a geographical indication for goods (designated goods) originating in:

(a) a country, or in a region or locality in a country, other than the country in which the relevant goods originated; or

(b) a region or locality in the country in which the relevant goods originated other than the region or locality in which the relevant goods originated;

if the relevant goods are similar to the designated goods or the use of a trade mark in respect of the relevant goods would be likely to deceive or cause confusion.

(2) An opposition on a ground referred to in subsection (1) fails if the applicant establishes that:

(a) the relevant goods originated in the country, region or locality identified by the geographical indication; or

(b) the sign has ceased to be used as a geographical indication for the designated goods in the country in which the designated goods originated; or

(c) the applicant, or a predecessor in title of the applicant, used the sign in good faith in respect of the relevant goods, or applied in good faith for the registration of the trade mark in respect of the relevant goods, before:
(i) 1 January 1996; or
(ii) the day on which the sign was recognised as a geographical indication for the designated goods in their country of origin;
 whichever is the later; or
(d) if the registration of the trade mark is being sought in respect of wine or spirits (relevant wine or spirits) -- the sign is identical with the name that, on 1 January 1995, was, in the country in which the relevant wine or spirits originated, the customary name of a variety of grapes used in the production of the relevant wine or spirits.

(3) An opposition on a ground referred to in subsection (1) also fails if the applicant establishes that:
(a) although the sign is a geographical indication for the designated goods, it is also a geographical indication for the relevant goods; and
(b) the applicant has not used, and does not intend to use, the trade mark in relation to the relevant goods in a way that is likely to deceive or confuse members of the public as to the origin of the relevant goods.

There has also been a great deal of legal and academic discussion about the interaction and interplay between trade marks and geographical indications under this new regime.44

In the Federal Court case of Comite Interprofessionel du Vin de Champagne v NL Burton Pty Ltd.45 French wine makers brought proceedings against the Tasmanian proprietors of ‘La Provence Vineyards’ who marketed wine under a label including prominently the words ‘La Provence’. The ‘La Provence’ label was not registered under the Trade Marks Act 1995 (Cth) but had been in use for some years. The label

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had been used continuously for five years before the establishment of the Register of Protected Names and the entry on that register of the geographical indications listed in Annex 2 to the European Community-Australia Wine Agreement 1994.

In this matter, Heerey J dismissed the submissions of the respondent. First, his Honour found that the heading in paragraph 2.6 of the Schedule ‘Provence and Corsica regions’ constituted a registration of Provence as a geographical indication in respect of the region of Provence. Second, he declined to hold that ‘La Provence’ was a word or expression that so resembles the registered geographical indication Cotes de Provence as to be likely to be mistaken for it. Third, the judge held that the Bryces had not committed an offence under the provisions of section 40C of the Australian Wine and Brandy Corporation Act 1980 (Cth) in that they had not knowingly sold wine bearing a false description and presentation. However, his Honour pointed out that the Bryces had ‘won the battle but lost the war’ because as a result of the information imparted to them in the course of the proceedings, they could not in future be said to be ignorant of the registration of the word ‘Provence’ as a geographical indication.46

In the case of Southcorp Wines Pty Ltd, the Australian Trade Mark Office considered an application by Southcorp Wines Pty Ltd for registration of the trade mark, ‘Queen Adelaide Regency’.47 The Deputy Registrar, Helen Hardie, ruled that unless the trade mark is applied only to wine originating in the region defined by the registered geographical indication ‘Adelaide’, its use would contravene section 40C of the Australian Wine and Brandy Corporation Act 1980 (Cth). Accordingly, she held that its use under those circumstances would be contrary to law and a ground for rejection would arise under section 42(b) of the Trade Marks Act 1995 (Cth).

By contrast, in Ross & Veronica Lawrence, the Australian Trade Mark Office accepted an application for registration of the trade mark, ‘Feet First’, for use in respect of wine.48 The Hearings Officer, Ian Thompson, noted that the word ‘First’

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was a name which existed on the Register of Protected Names under the *Australian Wine and Brandy Corporation Act* 1980 (Cth) as being a sub-region within the Einzellagen wine growing area within Germany. The Hearings Officer found, though, that ‘there is sufficient doubt as to the negative application of the legislation in this instance to render unsafe any conclusion that the use of the applied for trade mark would be contrary to law.’\(^49\)

In the case of *Boccaccio Pty Ltd v Hardy Wine Company Limited*, the Hearing Officer at the Australian Trade Mark Office rejected a challenge to a trade mark, denying that the term ‘Hoddes Creek’ was a false geographical indication.

It is convenient to turn to the similar provisions of section 61 of the Act. The opponent’s submission is that the trade mark contains a sign HODDLES CREEK that is a geographical indication for wine originating in the Hoddes Creek subregion of the Yarra Valley, which is a registered geographical indication for wine pursuant to the AWBCA. Goods on which the trade mark may be used are not limited to wines originating from Hoddes Creek and use of the trade mark for wines originating from grapes of another area would be likely to deceive or cause confusion. Hoddes Creek is not a recognised geographical indication and so section 61 has no application to the facts of this case.\(^50\)

The Hearing Officer concluded: ‘What can be said is that the words Hoddes Creek are indicative of the wines grown by the applicant in a way which usurps the slight geographical significance they carry. The use of the words by the applicant is as a trade mark and there is industry appreciation of them as a trade mark. In those circumstances I can find no reason to limit the trade mark by the imposition of a condition of registration that the applicant’s goods only be produced from grapes grown in Hoddes Creek.’\(^51\)

In light of such litigation, it would be useful to review how the *Trade Marks Act* 1995 (Cth) deals with geographical indications.


\(^{50}\) *Boccaccio Pty Ltd v Hardy Wine Company Limited* [2008] ATMO 16 (29 February 2008).

\(^{51}\) *Boccaccio Pty Ltd v Hardy Wine Company Limited* [2008] ATMO 16 (29 February 2008).
6. The Australian Government should review the interaction between the Trade Marks Act 1995 (Cth) and geographical indications.
7. THE AUSTRALIAN WINE AND BRANDY CORPORATION ACT 1980 (CTH) AND REGULATIONS

The Australian regime in respect of geographical indications, as established by Part VIIB of the Australian Wine And Brandy Corporation Act 1980 (Cth), and its regulations has been the subject of significant legal conflict in disputes over the boundaries of Coonawarra [see Figure 1] and King Valley [see Figure 2].

The Coonawarra Dispute

In 1995 the Joint Committee of the Coonawarra Grape Growers Association Inc and the Coonawarra Vignerons Association Inc lodged an application to the Geographical Indications Committee for it to determine a region called ‘Coonawarra’. In 2000, the Geographical Indications Committee made a final determination as to the boundaries of the Coonawarra region.

Dissatisfied with the narrow scope of the determination, forty-six applicants sought a review of the decision by the Administrative Appeals Tribunal. In Penola High School and Ors and Geographical Indications Committee and Ors [2000] AATA 922 (19 October 2000), the Tribunal convened a 'hot tub' of scientific experts in the fields of geography and geomorphology, soil science, hydrology, viticulture and mapping. Nonetheless, the Tribunal ruled: 'None of the experts, despite voluminous scientific data from which to base their opinion, concluded that their particular area of expertise could provide the key to defining the Coonawarra region.' The Tribunal instead emphasized the importance of the historical construction of the boundaries of Coonawarra, emphasizing the industry and market acceptance and recognition of the Coonawarra region.

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52 I would like to acknowledge the contribution of the cartographer, Jennifer Sheehan of the Research School of Pacific and Asian Studies at the Australian National University, who produced the maps in Figures 1 and 2.

53 Penola High School and Ors and Geographical Indications Committee and Ors [2000] AATA 922 (19 October 2000).

54 Ibid.
Five parties appealed against the decision of the Tribunal to the Full Federal Court. In *Beringer Blass Wine Estates Limited v Geographical Indications Committee* [2002] FCAFC 295, the Court was sympathetic to the efforts of the Tribunal:

The task which confronted the AAT was not an easy one. As it noted, climate, water, drainage and soil conditions did not provide discernible boundaries. The cigar had long since ceased to delineate the grape producing area from which wine recognised as Coonawarra originated. The AAT found, at par 137 of the reasons, that proximity to the cigar was an important indication of the boundaries, and no party in these appeals has criticised that finding. But the notion of proximity was not alone enough to identify boundaries, or even approximate boundaries, with any precision.\(^{55}\)

Ruling that the Tribunal had made a number of errors of law, the Court further enlarged the boundaries of the Coonawarra region to include the five properties.

The story of the Coonawarra litigation tells a compelling socio-economic tale. It provides a glimpse of the growth and transformation of the Australian wine industry, and the development of distinctive local and regional identities in the face of competition from well-established European traditions. There are a number of themes to this tale. The Coonawarra boundary dispute highlights tensions between local regionalism, national identity, and international trade rules. In the story, there are conflicts between several legal institutions: the Geographical Indications Committee, the Administrative Appeals Tribunal, and the Federal Court of Australia. The Coonawarra litigation highlighted instabilities and uncertainties in the definition of geographical indications in the Australian regime. The determination of boundaries depends upon the complex interaction of scientific evidence, natural phenomena, history, economic pressures, and political decisions. The ruling raises issues about the interaction between individual trade marks and regional identities constructed by geographical indications. The dispute also emphasizes the interplay between property rights and intellectual property rights – the inter-mingling of place and culture.

\(^{55}\) *Beringer Blass Wine Estates Limited v Geographical Indications Committee* [2002] FCAFC 295
The King Valley Dispute

There has been much debate about whether the decision in the Coonawarra case may be helpful in determining the boundaries and limits of Australian food-producing regions. In the case of Baxendale’s Vineyard Pty Ltd v The Geographical Indications Committee, the Federal Court of Australia considered the determination of geographical indications under the Australian Wine and Brandy Corporation Act 1980 (Cth). It examined whether the Whitlands High Plateaux region should be part of or separate from the King Valley region in Victoria. The Federal Court of Australia rejected the appeal by Baxendale’s Vineyard Pty Ltd that the decision of the Tribunal that the determination was inconsistent with the ruling in Beringer Blass Wine Estates Limited v Geographical Indications Committee. The judges doubted whether the factual matrix in the case was similar to the Coonawarra litigation. The Full Court of the Federal Court of Australia has upheld the finding of the trial judge in the King Valley litigation.

7. The legal disputes over the boundaries of the geographical indications for Coonawarra and King Valley highlight the need for a review of the provisions of the Australian Wine and Brandy Corporation Act 1980 (Cth), and the Australian Wine and Brand Corporation Regulations 1981 (Cth), dealing with geographical indications.

56 Baxendale’s Vineyard Pty Ltd v The Geographical Indications Committee [2007] FCA 22
58 Baxendale’s Vineyard Pty Ltd v The Geographical Indications Committee [2007] FCAFC 122
Figure 1. Map of Coonawarra.
Figure 2. Map of King Valley.
8. GEOGRAPHICAL INDICATIONS AND FOOD

In a number of multilateral forums, there remain larger international tensions about providing protection of geographical indications in respect of quality regional products.

The European Union has provided protection of appellations in respect of food - such as hams, cheeses, and olives. There have been a number of European Union decisions which have determined the ownership of appellations of origin in respect of foodstuffs:

- **Consorzio del Proscuitto di Parma v. Asda** (‘Parma Ham’ case) 20 May 2003, Case C-108/01
- **Ravil v. Bellon** (‘Grand Padano cheese’ case) 2003 Case-469/00
- **Federal Republic of Germany and Kingdom of Denmark v. Commission of the European Communities** (‘Feta Cheese’ case) 10 May 2005, C-465/02 and C-466/02
- **Geographical Indications (Olive Oil ‘Kalamata’), Ministerial Decision, 20/08/1993, No. 379567 (Greece)**

The European Community has been lobbying in a number of international forums to expand the definition of geographical indications to cover foodstuffs. Professor Mark Davison of Monash University commented

There is a separate move by the European Union to seek protection for other geographical indications, particularly cheese and smallgoods. They’ve made that clear at the World Trade Organization that they want the WTO agreement to cover those items, such as edam, parmesan, Parma ham and gorgonzola in much greater detail than at present. I should point out, the wine agreement has nothing to do with cheese. They are entirely separate issues but the EU has been pushing for both for some years and they will continue to push until they get what they want. We don’t know what the trade-off – if any – will be.” 59

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There has been much debate amongst Australian agricultural producers as to whether such a development would be a threat to local markets, or represent a marketing opportunity.

Some commentators suggest that Australia should resist the European expansionist agenda on geographical indications. Michael Handler, for instance, concludes that it would have a potentially adverse impact:

Certainly, the full extent of the costs of extension to Australian producers may be difficult to quantify, as would the costs to the Australian taxpayer and to consumers. Yet there is no reason why any of these parties should be expected to bear these costs for the simple fact that they are not offset by significant countervailing benefits. If a WTO Member is to be expected to agree to provide higher protection for another Member’s GIs, that first Member should be entitled to expect an equivalent advantage in return. This may be in the form of reciprocal protection for its own GIs, or it may be for other reasons of political or commercial expediency. Australia, like the United States, accepted the EU’s geographical indications provisions in the TRIPs Agreement (and entered into the Australia/EU Wine Treaty) because of the prospect of receiving certain trade advantages from the EU, such as increased market access. The EU is offering no such incentives to countries such as Australia at present. Instead, it is arguing that increasing the level of protection for GIs will benefit all Members by remedying legally deficient national standards and serving the interests of consumers and producers alike. However, it has not put forward any convincing evidence to show that the current levels of GI protection are failing to protect GI owners’ interests or are otherwise inadequate.60

By contrast, other commentators maintain that Australian agricultural producers should embrace the use of geographical indications in respect of foodstuffs. Professor Brad Sherman has observed in a media interview: ‘Australia has the possibility of registering our geographical indications, Coonawarra for example. The potential exists now to move beyond wine to all other aspects of agriculture - for example, Mandalong lamb, King Island brie, Stanthorpe apples. We spend a lot of time marketing the clean, green image. We can protect the names we use to market those

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products, so someone overseas won't be able to use King Island brie or Gympie goats cheese.’ 61

At present, many regional brands, such as ‘Batlow Apples’, ‘King Island Brie’ and ‘Bega Cheese’ are protected under registered trade marks.

On balance, the more persuasive view is that the Australian Government can best protect agricultural foodstuffs through the trade mark system. There does not seem to be a compelling case to expand the geographical indications system to include agricultural foodstuffs and products as well.

8. The Australian Government should resist the expansionist agenda of the European Union to extend the protection of geographical indications to foodstuffs.

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9. GEOGRAPHICAL INDICATIONS AND TRADITIONAL KNOWLEDGE

There has been significant debate over “geographical indications” in respect of the World Intellectual Property Organization development agenda. The European Community has sought to win allies for its expansionist agenda in respect of “geographical indications” amongst key developing nations, such as India. It has suggested that higher standards of protection of geographical indications would be helpful in respect of products such as basmati rice, Darjeeling tea. There has also been a discussion about whether geographical indications could provide protection of traditional knowledge and Indigenous intellectual property.

The South Australian winemaker, Jeffrey Grosset, has argued that Australian wine-makers should adopt the Indigenous term, ‘pangkarra’, as an alternative to the French term, ‘Terroir’:

Terroir is the French word for what some have known in Australia for thousands of years as “pangkarra”. Pangkarra is an aboriginal word used by the Kaurna (GARNER) people who used to live on the Adelaide Plains. It is a word that represents a concept which has no English translation but encompasses the characteristics of a specific place that is, the climate, sunshine, rain, geology and the soil water relations. About the closest we can get in English is to refer to the site but even that doesn’t really cover the major components of terroir or pangkarra being the soil and the local topography. The main difference between these two words is that terroir encompasses everything including the vine whereas the aborigines were not known for their viticulture and their term does not. My feeling is that the vine doesn’t change the site or at least not significantly and when applied to wine it’s about the fact that the fruit reflects the site or place and a wine in turn will also reflect that. So to get the concept of terroir it’s important to think of all these attributes together rather than individually. In essence, a wine has a certain taste not just because of the variety and vineyard management but because of its place. To be more abstract, I would say that people who say, “this is my place, I belong here” rather than “this belongs to me” are more likely to grasp the concept. That’s certainly the way I understand it and I can tell you that there is more confusion about terroir than there is about Pangkarra.

He notes that ‘Australians by comparison, will no doubt be happy to continue to use the word terroir, despite the fact that the word Pangkarra is a better fit for us without
thinking for a moment of the marketing advantages of using the word that originated here, or that it almost certainly pre-dates its French equivalent’.

The Indigenous solicitor, Terri Janke, has contended: ‘Given that Indigenous peoples’ cultural expression reflects their belonging to land and territories, this may allow some scope for Indigenous people to use geographic indications for their clan names, and language words for regions.’\(^{62}\) Similarly, Daphne Zografos has argued that geographical indications can be a viable alternative for the protection of traditional cultural expressions:

> The question whether GIs can be a viable alternative for the protection of traditional cultural expressions (TCEs) should be answered in the affirmative. A GI regime to protect TCEs would incorporate a series of advantages for TCEs holders. Firstly, it could provide protection that is potentially unlimited in time, as long as the distinctive link between the good and the place is maintained and that the indication has not fallen into genericity. Second, it could reward the goodwill accumulated over time and protect the commercial value of TCEs, while at the same time it could also protect consumers who wish to buy the ‘real thing’. Finally, it would recognise the cultural significance of TCEs, help enhance the development of rural communities and enable product differentiation in markets, by enhancing the association of the product with the craftsmen of a particular place in the consumers’ mind.\(^{63}\)

Brad Sherman and Leanne Wiseman also note that Indigenous creations could be protected via a law modelled on the laws used to protect geographic designations.\(^{64}\) They comment that there are a number of advantages to a geographical designation system for Indigenous intellectual property.

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Surely, it is time for the Australian Government to ratify the *United Nations Declaration on the Rights of Indigenous People* 2007, drafted in part by the Australian of the Year in 2009, Professor Michael Dodson. In particular, there should be a legislative implementation of Article 31: ‘Indigenous peoples have the right to maintain, control, protect and develop their cultural heritage, traditional knowledge and traditional cultural expressions, as well as the manifestations of their sciences, technologies and cultures, including human and genetic resources, seeds, medicines, knowledge of the properties of fauna and flora, oral traditions, literatures, designs, sports and traditional games and visual and performing arts. They also have the right to maintain, control, protect and develop their intellectual property over such cultural heritage, traditional knowledge, and traditional cultural expressions.’

9. **It is curious that the Australian Government is signing a 221-page treaty to protect French, German, Spanish and other European traditional expressions, but is yet to support the protection of the traditional knowledge of Indigenous Australians.**
Finally, I would like to draw the attention of the Joint Standing Committee on Treaties to a number of academic pieces of research authored by members, associates, and visitors of the Australian Centre for Intellectual Property in Agriculture:


This selection of academic writing displays a diversity of opinion upon the protection of geographical indications under international trade law. This academic work is useful in understanding the origins, content, and significance of the Agreement between Australia and the European Community on Trade in Wine 2009. There is certainly no academic consensus as to whether Australia would benefit – or suffer - from such TRIPS-Plus Bilateral Agreements. It is the subject of quite contentious debate in Australia and elsewhere (this controversy is certainly not properly reflected by the National Interest Analysis or the Regulatory Impact Statement accompanying the Agreement between Australia and the European Community on Trade in Wine 2009).