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GEOGRAPHICAL INDICATIONS UPDATES

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REVIEW OF RECENT AUSTRALIAN DECISIONS INVOLVING GEOGRAPHICAL INDICATIONS

Background

Attendees at these presentations will presumably need little explanation of the background to the “agreement on trade in wine” between Australia and the EU which led to Australia’s introduction of its Register of Geographical Indications, and the system for the determination and registration of Australian geographical indications for wine.

To some intellectual property lawyers, what we call “geographical indications” in our system does not meet the definition of “geographical indications” under the relevant international treaties.

The term “geographical indication” is relatively new, only having come into use in the last two decades or so. It seems that it was initially intended to be a broad definition, covering both appellations of origin and indications of source.

WIPO prepared a Draft Treaty on the Protection of Geographical indications in 1974-75.ⁱ In that document, the term “geographical indication” included both indications of sourceⁱⁱ and appellations of originⁱⁱⁱ.

Work on this draft treaty was suspended due to preparation of a revision of the Paris Convention^{iv}, which included the possible revision of the terms of that Convention as they dealt with geographical indications. The proposal for revision adopted the terminology from the WIPO draft treaty, including the term “geographical indication”. One of the objects of the proposed revision was to ensure a more extensive protection of appellations of origin and indications of source against use as trade marks.

However, the evolution of the term has seen it become more of a replacement or homonymous term for “appellation of origin”.

For example, Article 2(1) of the EC/Australia Wine Agreement defines a geographical indication as:

... an indication as specified in Annex II, including an 'Appellation of Origin', which is recognised in the laws and regulations of a Contracting Party for the purpose of the description and presentation of a wine originating in the territory of a Contracting Party, or in a region or locality in that territory, where a given quality, reputation or other characteristic of the wine is essentially attributable to its geographical origin.

That definition is one that is specifically tailored to an international treaty between two parties. A more general definition is set out in Article 22(1) of the Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS) which states that geographical indications are:

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.^v

In both cases the key aspect of the definition of an appellation of origin, namely the link between the origin and the quality or other characteristic of the product, is present.

Although not the focus of this paper, we may be tempted to discuss such questions as:

- “Does this matter?”
- “Do we care?”
- “Should we care?”

Feet First Decision^{vi}

Praise the Lord for Ross and Veronica Lawrence!

If they had meekly accepted yet another decision of the Trade Marks Office, that, whilst possibly correct in law, flies in the face of common sense, I would not be able to lead off with a “good news story”.

The Lawrence’s applied for the trade mark “FEET FIRST” in class 33.

However, the word “FIRST” is a sub-region within the Einzellagen wine growing area of Germany. Pursuant to the EU Agreement, FIRST is listed on the Register of Protected Names.

As such, the relevant examiner requested an endorsement from the Lawrences that the Trade Mark would only be used “in relation to wines originating from the FIRST sub-region”.

By way of background, the relevant section of the Trade Marks Act is Section 42 that provides that an application for registration of a trade mark must be rejected if:

- (b) its use would be contrary to law^{vii}

Approximately half the decision is taken up with reproduction of the analysis by Deputy Registrar Hardie of the relevant sections of the AWBC Act from the Queen Adelaide case^{viii}, which I do not propose to go into here.

The Delegate, Ian Thompson, points out that German Regions such as “AUEN and DOMBERG” do not raise too many difficulties, but words such as: WICKER, FIRST, DOCTOR, SAND, WOLF, HORN, and LUMP have ordinary English significance, but which are also included in the Register of Protected Names and:

“There is a tension where Australian traders wish to use such words for the sake of their ordinary English significations and the words are on the Register of Protected Names as being the names of localities in other parts of the world where wines are grown.”

He goes on to point out the incongruity of not being able to use translations of words which have an ordinary significance (such as SAFE, HELL or ABRUPT being the English translations of HEIL, HÖLLE and STEIL) not to mention the fact that Section 40F(3)(a) can be interpreted as including even non-English translations of non-English words.

The relevant sections of the AWBC are sections 40C and 40D, and 40E and 40F, which deal with “false” and “misleading” description and presentation of wines respectively. The issue of “misleading” was dismissed immediately, as the word “FIRST” within the trade mark “FEET FIRST” was seen not be used in a way as to mislead as to the country, region or locality where the wine originated.

He noted that the “false” description and presentation provisions seemed to constitute an absolute prescription of any word or expression registered as a geographical indication.

However, the applicant submitted that this ignored the statutory definition of what constitutes a “geographical indication”, and therefore, “puts the cart before the horse”.

The submission was in the nature of the question:

whether the word FIRST, used in the context of the trade mark FEET FIRST, used or proposed to be used in relation to wine is, in terms of the statutory definition:

- (a) a word or expression used in the description and presentation of the wine to indicate the country, region or locality in which the wine originated; or
- (b) a word or expression used in the description and presentation of the wine to suggest that a particular quality, reputation or characteristic of the wine is attributable to the wine having originated in the country, region or locality indicated by the word or expression.

The Delegate rephrased this as asking whether “under the statutory definition, if a word or expression is used in the description or presentation of wine in such a way that it does not indicate the country, region or locality in which the wine was produced, it fails the statutory test of being a geographical indication. The statutory prohibitions and penalties should not therefore apply and the expression is not, thus, caught by section 42 of the TMA”

The Delegate seemed to be caught up in body parts, because he then embarked on a “on the one hand ... on the other hand” exercise, posing first:

the process of evaluation is, or should be, akin (subject to my comments, below) to the familiar one of trade mark law. In *Howard Auto-Cultivators Limited v Webb Industries Proprietary Limited* (the "Rohoe" Case) (1946) 72 CLR 175 Dixon J. said, at 181:

“But the meaning of all words is governed by their context and how words are understood depends upon the universe of discourse. Here the scope of the use of the word is settled by the application for registration, which is in respect of cultivating implements.”

and then:

Heerey J cautioned in *La Provence*, above:

But although the regime established by Part VIB of the Act is based on registration of names, in my respectful opinion **it does not follow that doctrines of trade mark law necessarily apply** [*perhaps a worry for most attendees at these dinner meetings!*]. Although comparisons may be made between some provisions in Part VIB and trade mark legislation, and between such provisions and some in Part V of the Trade Practices Act, the fact remains that in providing the "legal means" contemplated by Article 6.1 of the Agreement Parliament has chosen a means of enforcement which is *sui generis*. Part VIB is notably different from trade mark legislation and Part V of the Trade Practices Act in that it prescribes a sanction of imprisonment. There is no mention in the Minister's speech, the explanatory statement, or any other extrinsic material tendered in evidence in the present case as to why this was done. Presumably the sanction of imprisonment was the reason why contraventions of Part VIB must be made "knowingly" - again a matter of contrast with trade mark legislation and Part V. Ultimately what governs is the language of Part VIB of the Act, construed according to ordinary principles of construction.

Counsel for the Lawrences cleverly drew the attention of the Delegate to the registration by the German Trade Marks Office of FIRST BROOK for wines (owned by a South African firm), and registrations by the European Trade Marks Office including FIRST RUN (owner within Australia), FIRST POINT (United Kingdom), FIRST IN THIRST (Spain) and FIRST BASE (United Kingdom), all registered for wines, and none of which are apparently subject to a restrictive endorsement or a restriction as to the geographical area in which the goods are produced or special requirements as to labelling.

Counsel also pointed out the change in the wording of the AWBC Act post the *La Provence* case, in which section 40C(1), AWBC Act was changed by replacing the word "knowingly" with "intentionally":

“A person must not, in trade or commerce, intentionally sell wine with a false description and presentation.”

He submitted that the significance of this was:

- In cases where the relevant GI is used in a context where its denotation as a geographical indication is submerged into English idiom, or is otherwise contextually divorced from its significance as a geographical indication, it is most difficult, if not impossible, to assess what intention the person selling the wine bearing the geographical indication might have in the absence of evidence of their state of mind or business dealings.
- Under section 33, Trade Marks Act, there is a presumption of registrability of trade marks (and therefore 'clean hands' on the part of applicants for trade mark registration as regards their bona fides).
- Therefore, in the absence of evidence to the contrary, there should be no an adverse conclusion by a trade mark examiner and concerning the motives of a trade mark applicant in this situation.

Conclusion

In some circumstances, the definition of what constitutes a geographical indication can be read liberally rather than prescriptively.^{ix}

The intention of a person involved in trade mark issues is established via evidence which affirmatively demonstrates the intention. The onus in proceedings is on the person who seeks to have the intention considered.^x

Given the context of the use of the word FIRST in the trade mark FEET FIRST in juxtaposition to both the goods and the statutory definition of what constitutes a geographical indication, the Delegate found it “difficult to infer any intention other than that related to what is denoted or connoted by the images raised by the use of the term in its ordinary significations”.

This decision distinguishes the Queen Adelaide Regency case because of the change in the AWBC Act from ‘knowingly’ to ‘intentionally’ – whilst the knowledge that the objected to word is a registered geographical indication was previously brought to an applicant for trade mark registration at least by the examiner’s report, under the amended AWBC Act any consideration of a trade mark applicant’s intention to ‘sell wine with a false description and presentation’ is practically impossible.

The Delegate also expressly denied any argument that an intention to use the relevant word “as a geographical indication” could be implied from the statutory definition of a trade mark as ‘a sign used, or intended to be used’^{xi}

Tips for Future Cases

The Delegate gives the following guidance for future applications involving similar words. There will be a presumption of registrability where:

- the geographical indication is an ordinary English word used in a context where it forms a corporate identity or idiomatic expression which divorces it from any possible connection in the minds of ordinary people with the locality which the registration of the geographical indication is intended to protect.
- the context of a geographical indication makes it obvious that it is being used within a trade mark for the sake of its ordinary English signification as a word contained in an English dictionary, with no potential reference to the geographical location.

Examples of this are given as:

- WICKER BASKET
- TIMBER WOLF (but not WHITE WOLF[3] or WOLF WHITE)
- RAM’S HORN (but not RED HORN or HORN RED)
- SAND CASTLE (but not SAND CHATEAU or CHATEAU SAND)

- WITCH DOCTOR (but not DOCTOR GRAPE).

with Australian examples as:

- ORANGE TREE (but not ORANGE VALLEY)
- APPLE PEEL (but not PEEL CREEK)
- HAMLET, PRINCE OF DENMARK (but not DENMARK SWEET).

The Delegate gives the Australian examples have a further “qualifier”:

The principle should apply where the geographical indication **forms a part of a known and commonplace English expression** or name which has no reference to the geographical location. If the protected expression is not part of a known and commonplace English expression or name, such as, for example, WICKER WOMBAT, or STONE DOCTOR, consideration will need to be given as to whether the term is being used for the sake of its ordinary English signification..

The King Valley Decision^{xii}

Justice Downes, as President of the AAT has determined one of the most recent Australian registered GIs – although his decision is subject to appeal.

The case, not unlike the Coonawarra case, has pitted neighbour against neighbour, with separate, but conflicting applications made by:

- a group led by Dr William Hardy and Mr James Baxendale together with some other vineyard owners in the proposed Whitlands High Plateaux region, and
- a co-operative called the King Valley Vignerons Inc., whose members included owners from the proposed Whitlands High Plateaux region.

In handing down his decision, Justice Downes noted that:

“There is a strong case for an area of higher country associated with the Whitlands area being made a sub-region, but that matter is not before me for consideration. The Geographical Indications Committee must now determine claims for sub-regions.”

For those of you unfamiliar with the determination by the GIC of regions and sub-regions, I attach copies of Regulations 24 and 25 from the AWBC Regulations, which give definitions and criteria for determination of GI’s.

I have to say, and perhaps this is me showing some bias, I think that the King Valley case is another example of a triumph of common sense; although I note that his Honour certainly recognised the difficulties in making this kind of determination:

- “The task of the Tribunal is to identify a region. A region must have a boundary. Wherever the boundary is drawn, it will often be impossible to assert that the land on one side of the line is any different to the land on the other side of the line. Determining a region of any kind and defining precise boundaries for it, is necessarily an artificial exercise. Nature generally does not draw bright line boundaries.” [para 50]
- “There is no objectively correct answer. Only the preferable decision can be reached from an available range.” [para 55]
- “It is very difficult to explain a reasoning process which refers to a number of criteria which need to be absolutely and relatively evaluated. In the present case there are nine criteria and nine sub-criteria. Many of them are very wide. The first criterion, which requires the identification of areas that qualify for further consideration by falling within the definition of region, itself requires consideration of many factors.

“Different criteria will call for differing evaluation in different cases. In some cases geology may be an important consideration, in others it may not. The same is true of each of the other criteria.” [para’s 122 – 123]

Taking off my legal hat for a moment, and reflecting on the work I have been involved in with the Winemakers Federation of Australia and AWBC, many people consider we already have too many regions to be able to best exploit the competitive advantage which can be gained from distinctive regionality – we simply have too many regions for our customers overseas (and by this I mean the “gatekeepers” in the trade, let alone consumers) to be able to comprehend. Indeed, one of the reasons for the remarkable success of New World wines, at the expense of the Old World, has been the simplicity of our labels, particularly compared with the massive number of sub-regions in places like Germany, coupled with their often arcane labelling requirements.

But back to legal matters, as I said, the decision to keep the region of King Valley as a whole, rather than have a separate, very small region of “Whitlands High Plateaux” makes a lot of sense. Generally speaking, most of the supporting reasoning also seems to be consistent with the legislation. (Unlike, in my view, the Full Federal Court’s Coonawarra decision, but that is another story altogether.)

What must be difficult for the losing party in this case is that His Honour has essentially agreed with their arguments but not the application of them. For example, he states (at para 127):

“I do not doubt that there are identifiable differences between the plateaux and ridges on the one hand, and the balance of the area on the other. I accept that there are differences in grapes grown, in growing techniques, in climate and in soils between the two areas. I also accept the qualification that at the margins these distinctions may be difficult to draw.

However, when I give these matters full weight and when I incorporate them with the other factors I have isolated above, I do not come to the conclusion that the King Valley and the Whitlands High Plateaux areas are separate regions. This conclusion is supported by the requirement for relative discreteness and homogeneity in para (b) of the respective definitions of ‘region’ and ‘subregion’.”

Of course, if I were to agree with everything in the decision, this would be a short and uninteresting presentation, so let me take issue with some of the content of the decision:

- Once again, as in the Coonawarra case, actual use of a GI has proven to be a factor taken into account in the decision-making process. This is not, in my view, as contentious in this case, as there was no self-serving use by one party who then sought to rely on that use to justify its own position.

In fact, it was almost the opposite – the name “Whitlands” had been used on labels by Brown Brothers – an opponent of the declaration of Whitlands as a region. However, I am guessing that the evidence of this use was not tendered in support of this type of argument, and I suspect that the use of this “fact” by his Honour may not have been entirely accurate – as my understanding of the use by Brown Brothers is that it was more as a vineyard name, than in the form of a GI.)

This reasoning reinforces the message from the Coonawarra decision to landowners who are close to, or just outside the boundaries of geographical indications which have not yet been determined. Namely, that the best way to be included in such a boundary is to just start using the name, and this will create a ‘history of grape growing’ which can be relied upon to justify inclusion within the boundary.

- Once again, recognition is given to names which were included in Annex II to the Wine Agreement with the EU. Given some of the names which were included and were not included in those lists, I shake my head at this, as I did with the Coonawarra decision.

Those lists include wine trade marks such as Dalwood, Rothbury, Mount Pleasant, Dorrien, Seppeltsfield, Leasingham, Pewsey Vale, Ovens Valley, Mitchelton, Mount Helen, Tahbilk, Redbank, Diamond Valley, Moondah Brook, Baldivis, and Great Western.

The Full Federal Court in the Coonawarra case essentially said that, where the EU Wine Agreement specifies the name of a geographical indication, there is no scope for a different name to be used. This has the twin dangers of other producers being able to use those names as GIs, as well as restricting the brand owner in the fruit it can use in wines under those labels, invariably seriously reducing the volume of wine which can be produced.

Other Matters of Interest

- The King Valley Vignerons submitted that the reference in regulation 24 to “grape growing attributes” meant those matters which are listed under regulation 25(i), and that the expression does not have an ordinary language meaning.

His Honour thought this was a “tail wagging the dog” exercise, and expressly declined to limit the meaning of “grape growing attributes” in the definition of region in Regulation 24, to only those criteria in Regulation 25(i).

- His Honour raises the question as to what might be meant to reference to “or any other area” as part of regulation 25(a) which refers to:

“whether the area falls within the definition of a sub-region, a region, a zone **or any other area**”.

I guess this could refer to areas such as the MIA (Murrumbidgee Irrigation Area) or an area covered by a registered certification trade mark (of a geographic nature) or a voluntary AOC-type scheme.

- His Honour sees the underlying object of the legislation as directed at consumption with the relevant consumers being wine drinkers in an out of Australia and the holding out of a “homogeneity of some kind associated with wines from the same region”. Although this accords with the “consumer protection” elements of GI protection, it does not have regard to protection of producers from unfair competition, nor the potentially proprietary claims of producers in an area to “their” GI.
- The fact that the boundaries of the claim (by the Whitlands High Plateaux group) presented to the AAT were different to those proposed to the GIC was held to be irrelevant.
- The definition of a region (and a sub-region for that matter) as comprising “a single tract of land” means that two areas of land can never together be a region – even if they are otherwise discreet and homogenous in their grape growing attributes.

ENDNOTES:

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- i See WIPO documents TAO/II/2 and 6.
- ii “An indication of source expresses a factual situation, but does not indicate any particular quality; it notes a situation and implies no protection other than that deriving from the defence of consumers against fraud and error - confusion and unfair competition in trade transactions”, Robert Tinlot, “*Geographical Indications for Wine*”, (1991) Symposium on the International Protection of Geographical Indications ('WIPO - Wiesbaden') 43
- iii “The geographical name of a country, region, or locality which serves to designate a product originating therein the quality and characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors.” Article 2(1), Lisbon Agreement for the Protection of Appellations of Origin and their International Registration.
- iv Document PR/DC/4, Ludwig Baeumer, “*The International Protection of Geographical Indications*”, WIPO – Wiesbaden, *ibid* 27.
- v Annex 1C, Marrakesh Agreement Establishing the World Trade Organization, 15 April 1994
- vi *Ross & Veronica Lawrence* [2005] ATMO 69 (21 November 2005)
- vii Following the 2001 case of *Advantage Rent A Car Inc. - v - Advantage Rental Pty Ltd.*, Examiners have to consider whether use of a trade mark would be contrary to a law other than the Trade Marks Act
- viii *Southcorp Wines Pty Ltd* [2000] ATMO 34
- ix The AWBC Act itself contains a number of such instances – as in, for instance, where the geographical indication is contained in the name of an individual who manufactured, sold, exported or imported the wine.
- x See for example, Sections 59, Section 61(3)(b), 92(4)(a) of the Trade Marks Act.
- xi He gave the lovely example of the man who may have, for example, an intention to use a spade to dig a hole; however, this does not necessarily indicate that he intends use the spade to tunnel into a bank. It may thus be an error to conflate the one intention into the other.
- xii *King Valley Vignerons Inc and Ors and Geographical Indications Committee and Anor* [2006] AATA 885 (18 October 2006)