

# THE OVERLAP BETWEEN GEOGRAPHICAL INDICATIONS AND TRADE MARKS IN AUSTRALIA

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## I INTRODUCTION

The issue of the overlap and potential conflict in Australia between trade marks and geographical indications was enlivened when Australia enacted legislation in late 1993 designed to protect geographical indications. The legislation in question was comprised of a series of amendments to the *Australian Wine and Brandy Corporation Act 1980* (Cth).<sup>1</sup> These amendments were made to enable Australia to fulfil its obligations under the *Agreement between Australia and the European Community on Trade in Wine, and Protocol ('Trade in Wine Treaty')*.<sup>2</sup>

Although the *Trade in Wine Treaty* was principally aimed at protecting European geographical indications in Australia, Australia needed to register its own geographical indications under the *Trade in Wine Treaty* if it wished to protect them in Europe. In addition, the *Trade in Wine Treaty* specifically highlighted the overlap between geographical indications and trade marks, a

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<sup>1</sup> The amendments were made by the *Australian Wine and Brandy Corporation Amendment Act 1993* (Cth).

<sup>2</sup> Opened for signature 26 January 1994, 6 ATS (entered into force 1 March 1994).

topic with which the European Community has long wrestled. Article 6(4) provides:

The registration of a trade mark for wines which contains or consists of a geographical indication or a traditional expression identifying a wine as referred to in Article 7 shall be refused, or if domestic legislation so permits and at the request of an interested party be invalidated, with respect to such wines not originating

(a) in the place indicated by the geographical indication, or

(b) in the place where the traditional expression has been traditionally used.

The geographical indications and traditional expressions referred to in art 7 of the *Trade in Wine Treaty* are those that are protected by virtue of the operation of the *Trade in Wine Treaty*.

When the *Trade in Wine Treaty* had been signed and Australia was considering the necessary legislation to implement it, attention was directed towards identifying potential problems and their solutions. Two examples were the German geographical indications 'Wolf' and 'Bereich Kaiserstuhl' and the Australian 'Wolf Blass' trade mark owned by Berringer Blass Wine Estates Limited (formerly known as Mildara Blass Limited) and the Southcorp trade mark 'Kaiser Stuhl'. This obvious problem was resolved by the inclusion in the Australian Register of Geographical Indications<sup>3</sup> of conditions which made protection of the 'Wolf' and 'Bereich Kaiserstuhl' geographical indications subject to the existing trade mark rights of Berringer Blass Wine Estates Limited and of Southcorp.

In Australia it was the *Trade in Wine Treaty* that first raised the issues concerning the overlap between geographical indications and trade marks. However, whilst it had been feared that there would be a number of conflicts between European geographical indications and Australian trade marks, in fact there have been more problems generated by conflicts between Australian trade marks and Australian geographical indications.

Several problems may arise concerning the use of geographical indications and trade marks. The first concerns use of a name as a trade mark by one producer and subsequent registration of that name as a geographical indication. Once registration as a geographical indication occurs, the trade mark owner will not be allowed to use the trade mark for its wines unless at least 85 per cent of the grapes used to make the wine come from the region of that name.<sup>4</sup> This may constitute a legal barrier to the use of the trade mark where the trade mark owner makes their wine using grapes from other regions.

The dispute currently being argued before the Australian Geographical Indications Committee<sup>5</sup> involving the 'Great Western' name provides an example of this problem. 'Great Western' has been the name of a wine producing region for over 140 years, and has also been used by Southcorp Wines

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<sup>3</sup> The Register was established pursuant to the *Australian Wine and Brandy Corporation 1980* (Cth) s 40ZA(1).

<sup>4</sup> *Australian Wine and Brandy Corporation (Exports) Regulations 1993* (Cth) reg 21(2), (3).

<sup>5</sup> For a discussion of the Committee, see below n 45 and accompanying text.

as a trade mark for almost as long, through its Seppelts business and its predecessors in title. If the vigneron in the area are successful in having the name 'Great Western' registered as a geographical indication, Southcorp Wines will not be able to continue to sell the same products under the Great Western trade mark because much less than 85 per cent of the grapes used in those wines emanate from the area in question.

A second problem involves questions of trade mark infringement and dilution of the value of a trade mark. If a trade mark is registered as a geographical indication, then it will be available for use by all producers from that region provided that they comply with the 85 per cent rule, thereby diluting the distinctiveness of the trade mark and damaging the goodwill of its proprietor.

The issue will arise where a vineyard named after its region acquires a reputation, and other vineyards, subsequently established in the same region, include on their labels an indication to consumers of the region in which their grapes are grown and wines produced. The vineyard with the established reputation ('the first vineyard') might assert that use of the name of the region by the others — which is also use of the first vineyard's name — constitutes passing off or misleading conduct.<sup>6</sup> The first vineyard would argue that newcomers have included a reference to the region in order to capitalise on, or take a springboard advantage from, the reputation which the new vineyard owes to the first vineyard.

For instance, litigation has taken place between Koppamurra Wine Company and other vigneron in the same area of south eastern South Australia wishing to name the region 'Koppamurra', and register it as a geographical indication.<sup>7</sup> There has also been litigation between the proprietor of the winery known as 'Port Phillip Estate' on the Mornington Peninsula and a party who was selling its wines using the registered geographical indication 'Port Phillip'. Both cases were settled before any final court decision was made.

Finally, the related problem of consumer deception may arise if the same name is used as both a trade mark and a geographical indication. In order to understand Australian law on the overlap between trade marks and geographical indications, it is necessary to consider the three Acts which deal expressly or otherwise with geographical indications. These are, in addition to the *Australian Wine and Brandy Corporation Act*, the *Trade Marks Act 1995* (Cth) ('*Trade Marks Act*') and the *Trade Practices Act 1974* (Cth) ('*Trade Practices Act*').

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<sup>6</sup> For a discussion of the offences of passing off and misleading conduct under the *Trade Practices Act 1974* (Cth) in their application to wine law, see below pt III.

<sup>7</sup> For the decision in respect of the application for an interlocutory injunction, see *Koppamurra Wines v Mildara Blass Ltd* [1998] 226 FCA (Unreported, von Doussa J, 3 March 1998) <[http://www.austlii.edu.au/au/cases/cth/federal\\_ct/1998/226.html](http://www.austlii.edu.au/au/cases/cth/federal_ct/1998/226.html)> at 22 May 2001 (copy on file with author).

II THE *TRADE MARKS ACT*A *Ability to Register Geographical Names as Trade Marks*

As geographical names are not inherently distinctive, s 41(6) of the *Trade Marks Act* applies to attempts to register them as trade marks. This provision states that marks that are not inherently adapted to distinguish the proprietor's goods from those of other persons can only be registered 'if the applicant establishes that, because of the extent to which the applicant has used the trade mark before the filing date in respect of the application, it does distinguish the designated goods ... as being those of the applicant'. Accordingly, it is possible to register a geographical name as a trade mark, provided that it is proved to the satisfaction of the Trade Marks Office to be distinctive in fact of the applicant for product(s) or service(s) for which registration is sought.<sup>8</sup>

There is an additional proviso: that the use of the geographical name as a trade mark is not likely to mislead or deceive consumers.<sup>9</sup> Distinctiveness is usually obtained as a result of extensive usage by the producer in question. For instance, the trade mark 'Dromana Estate' has been registered in respect of wines by the vineyard of that name from Dromana. Registration was achieved upon the filing of numerous statutory declarations from members of the trade around Australia attesting to the distinctiveness of the 'Dromana Estate' trade mark.

B *Limited Rights Granted by Trade Mark Registration*

It is clear that an Australian vigneron who has registered their region's name as a trade mark for wine would find that registration does *not* grant them exclusive use of that name for wine. Rather, the trade mark registration would only prevent third parties from using that name (or any substantially identical or deceptively similar name) as a *trade mark* in respect of their wines. A long line of authority stretching back to *Shell Co of Australia Limited v Esso Standard Oil (Australia) Limited*<sup>10</sup> has established that mere use of a mark is not use as a trade mark. In that case, an image similar to Esso's trade mark oil drop appeared in a Shell television commercial. This was held not to constitute use by Shell of the oil drop as a trade mark because the mark was being used to describe the attributes of the petrol.<sup>11</sup>

Thus, for example, if one vigneron successfully registers 'Mornington Peninsula Estate' as a trade mark for wines then a second vigneron's reference to 'Mornington Peninsula' to describe the source of his or her grapes would not necessarily constitute trade mark infringement. Much would depend on the way in which the reference was used by the second vigneron in the label or

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<sup>8</sup> *Trade Marks Act* s 41.

<sup>9</sup> *Trade Marks Act* s 43.

<sup>10</sup> (1963) 109 CLR 407.

<sup>11</sup> *Ibid* 425. See also *Johnson & Johnson Australia Pty Ltd v Sterling Pharmaceuticals Pty Ltd* (1991) 101 ALR 700.

advertising, such as whether it was given undue prominence or was used in a colour, font or style that replicated the trade mark usage by the first vigneron. That is, use of a geographical name by a third party that is not trade mark usage, but is nothing more than an indication of where the wines have been made or the grapes produced, does not amount to trade mark infringement. The *Trade Marks Act* specifically provides that a person does not infringe a registered trade mark when:

- (a) the person uses in good faith;
  - (i) the ... name of the person's place of business; or
- (b) the person uses a sign in good faith to indicate:
  - (i) the ... geographical origin of goods.<sup>12</sup>

In *Angove's Pty Ltd v Johnson*,<sup>13</sup> it was held that a party will be able to satisfy the good faith requirement in the absence of an ulterior motive in relation to their use of the infringing mark.<sup>14</sup> However, I should stress that geographical names and places of origin are referred to in a generic sense in the *Trade Marks Act*. Its provisions do not address geographical indications (as the term is used in the *Australian Wine and Brandy Corporation Act*) even though they may have an impact on their use and registration.

### C *Geographical Indications: Grounds for Opposition*

In addition to s 41(6) of the *Trade Marks Act*, which deals with applications to register trade marks, the legislation refers to geographical indications in providing grounds for opposing registration of a trade mark that

contains or consists of a sign that it is a geographical indication for goods ... originating in:

- (a) a country, or in a region or locality in a country, other than the country in which the relevant goods [for which registration is sought] originated.<sup>15</sup>

Such an opposition would fail if, amongst other things, the party who applied to register the trade mark had used that trade mark in good faith in respect of the relevant goods, or applied in good faith for registration of the trade mark in respect of the relevant goods before 1 January 1996 or before the day on which the sign was recognised as a geographical indication for the designated goods in the country of origin, whichever is the later.<sup>16</sup>

Finally, s 43 of the *Trade Marks Act* is a generic provision which does not specifically address geographical indications. Nevertheless, it provides that a mark which is likely to deceive or cause confusion may be refused registration. Thus if a vigneron attempted to register as a trade mark a place name with which

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<sup>12</sup> *Trade Marks Act* s 122(1).

<sup>13</sup> (1981) 36 ALR 487.

<sup>14</sup> *Ibid* 497–8. See generally James Lahore, *Patents, Trade Marks & Related Rights* (1996) 56–140.

<sup>15</sup> *Trade Marks Act* s 61(1).

<sup>16</sup> *Trade Marks Act* s 61(2)(c)(i).

the vigneron has no connection, the Registrar of Trade Marks could refuse the application under this section.

The *Trade Marks Act* does not otherwise deal with the use of geographical indications. Moreover, the right to oppose a trade mark application is only given to an interested third party. In other words, the provisions do not operate as a direction to the Australian Trade Marks Office as to when it should, as an administrative matter, refuse registration of a trade mark that contains or consists of a geographical indication.

### III THE *TRADE PRACTICES ACT* AND PASSING OFF: CONSUMER PROTECTION — A GREATER GOD THAN WINE LAW

A separate consideration is brought to bear by the operation of Australia's antitrust and consumer protection legislation, the *Trade Practices Act*. It provides that corporations 'shall not, in trade or commerce, engage in conduct that is misleading or deceptive, or is likely to mislead or deceive'.<sup>17</sup> The legislation also provides:

A corporation shall not, in trade or commerce, in connection with the supply or possible supply of goods or services or in connection with the promotion by any means of the supply or use of goods or services ... make a false or misleading representation concerning the place of origin of goods.<sup>18</sup>

The *Trade Practices Act* does not contemplate the use of registered trade marks or registered geographical indications. Use of either may in certain circumstances be contrary to the provisions of the *Trade Practices Act*. Use of a registered trade mark in respect of wine might well lead consumers to believe that the grapes or wines indicated by that trade mark emanate from the region of the same name. If the trade mark does not accurately reflect the origin of the product, there is a strong case for saying that such use is likely to result in consumers being misled or deceived. The fact that the trade mark is registered is of no relevance whatsoever. The *Trade Practices Act* does not provide any defence in its consumer protection provisions to the owners of registered trade marks or to the users of registered geographical indications. Rather, the sole question is whether they have either made false or misleading statements or have engaged in misleading or deceptive conduct.

The actions for breaches of ss 52 and 53 of the *Trade Practices Act* substantially replace the use of the common law tort of passing off. This tort was described in the seminal case *Erven Warnink BV v J Townsend & Sons (Hull) Ltd*<sup>19</sup> as requiring the identification of five characteristics in order to create a valid cause of action:

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<sup>17</sup> *Trade Practices Act* s 52(1).

<sup>18</sup> *Trade Practices Act* s 53(eb).

<sup>19</sup> [1979] AC 731 ('*Erven Warnink*').

- 1 a misrepresentation;
- 2 made by a trader in the course of trade;
- 3 to prospective customers of his or ultimate consumers of goods or services supplied by him;
- 4 which is calculated to injure the business or goodwill of another trader ... ; and
- 5 which causes actual damage to a business or goodwill of the trader by whom the action is brought ... or will probably do so.<sup>20</sup>

In a classic passing off case, the plaintiff would need to show that, by reason of extensive advertising or sales, it has established a reputation in the jurisdiction in question. The plaintiff must then demonstrate that the defendant has so closely copied the name, mark, word, get-up or appearance of the product or service in question, that consumers are misled into believing that the defendant's product or service emanates from or is otherwise connected with the plaintiff. An integral part of the tort of passing off is that the plaintiff must establish that it has been damaged by the defendant's conduct.

In *Fletcher Challenge Ltd v Fletcher Challenge Pty Ltd*,<sup>21</sup> Powell J considered the test in *Erven Warnink* and simplified the traditional formulation, instead requiring the plaintiff to establish:

- (a) that his goods have or his business has acquired a certain goodwill or reputation;
- (b) the actions of the defendant have caused, or in all probability will cause, the ordinary purchasers of the plaintiff's goods or the ordinary customers of the plaintiff's business, to believe that the defendant's goods are those, or that the defendant's business is that, of the plaintiff;
- (c) that, in consequence, the plaintiff has suffered, or is likely to suffer, injury in his trade or business.<sup>22</sup>

One reason why the action for misleading conduct under the *Trade Practices Act* has largely superseded the common law tort of passing off is that the *Trade Practices Act* simplifies the action by not requiring proof of damage. Passing off is now much more rarely alleged than breaches of the *Trade Practices Act*.

#### IV THE AUSTRALIAN WINE AND BRANDY CORPORATION ACT: A STUDY IN OSTRICH BEHAVIOUR

In drafting Australia's legislation to protect registered geographical indications, it might be thought that Australia's regulators had their heads in the sand, and hoped that if they totally ignored trade marks, the problems they pose might go away. The 1993 amendments to the *Australian Wine and Brandy Corporation Act*, inserted after the *Trade in Wine Treaty* was initialled, make no reference to or allowance for use of trade marks, whether registered or otherwise. Accordingly, use of a trade mark might be in breach of the provisions of the

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<sup>20</sup> Ibid 742 (Diplock LJ).

<sup>21</sup> [1981] 1 NSWLR 196.

<sup>22</sup> Ibid 204.

*Australian Wine and Brandy Corporation Act*, which prevent misuse of geographical indications or names which might be mistaken for geographical indications. It does not matter whether the trade mark was registered or even whether the trade mark had been used prior to the geographical indication either being registered or even coming into existence. Thus in the case of *Comité Interprofessionnel des Vins des Côtes de Provence v Stuart Alexander Bryce* ('*La Provence*'),<sup>23</sup> the Bryces would have had no better defence had they registered the name 'La Provence' as a trade mark.

In *La Provence*, the *Comité Interprofessionnel des Vins des Côtes de Provence* ('CIVCP') and the *Institut National des Appellations d'Origine* ('INAO') took objection to the use by Mr and Mrs Bryce of the name 'La Provence' for their vineyard. The action did not deal with trade mark rights at all, but rather was a civil action commenced by the INAO and the CIVCP alleging not only breaches of the *Trade Practices Act* and passing off, but also breaches of ss 40C and 40E of the *Australian Wine and Brandy Corporation Act*. Those provisions prohibit, amongst other things, the knowing sale, in trade or commerce, of wine with a false description and presentation or with a misleading description and presentation. These provisions enact Australia's obligations to protect European Community geographical indications under the *Trade in Wine Treaty*.

The INAO and the CIVCP relied principally on the fact that the French controlled appellation of origin 'Côtes de Provence' was registered in Australia pursuant to the *Trade in Wine Treaty*. In addition, the 'Côtes de Provence' controlled appellation of origin is listed under the heading of 'Provence and Corsica Regions'. Heerey J held that the name 'La Provence' was not the same as 'Côtes de Provence' and did not so resemble 'Côtes de Provence' as to be likely to be mistaken for it.<sup>24</sup> He nevertheless held that 'La Provence' was effectively identical to the name 'Provence' as it appeared in the *Trade in Wine Treaty*.<sup>25</sup>

As at this date, there are (not to my knowledge) any cases of geographical indications being registered under the *Australian Wine and Brandy Corporation Act* which are identical, substantially identical or deceptively similar to trade marks that have been used or registered prior to the registration of the geographical indication. However, the problem still looms large on the horizon.

## V THE INTERNATIONAL POSITION: CONFUSION REIGNS SUPREME

If Australia were to seek guidance from more mature, international wine markets on a suitable approach to the conflict between trade marks and

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<sup>23</sup> (1996) 35 IPR 170.

<sup>24</sup> *Ibid* 189.

<sup>25</sup> *Ibid*. The *Australian Wine and Brandy Corporation Act 1980* (Cth) s 40F(4) provides that a description and presentation of wine will be taken to be misleading where the name complained of 'so resembles a registered geographical indication ... as to be likely to be mistaken for the registered geographical indication'.



geographical indications, then it would be in for a disappointment, since no one rule has been applied consistently in those markets. On the other hand, most of the organisations or countries in question are tending to follow the general principle that the first in time to use or register the trade mark or geographical indication has priority.

I describe below, in a historical context, the relevant laws, regulations and propositions made by certain entities and countries over the last decade or so. Rather than demonstrating the current position of each, I intend to highlight the evolving and different approaches taken at the international level.

### A *European Community Regulations*

The European Community law dealing with the overlap between geographical indications and trade marks in relation to wine is *European Community Regulation 2392/89*, which establishes the general regulations relating to the designation and presentation of wines and grape musts.<sup>26</sup> The principles mentioned in this regulation have been repeated in *European Community Regulation 1493/99* on the common organisation of the market in wine. In relation to the description of wines, the regulations prohibit trade marks which 'are false and liable to create confusion or deceive the consumers'.<sup>27</sup>

For trade marks which contain a geographical name used to describe a table wine, the geographical indication takes priority.<sup>28</sup> The only exception is that the owner of a registered trade mark that is identical to a geographical indication can continue to use the trade mark until 31 December 2002. This is, in turn, subject to an overriding provision that the trade mark owner must have registered its trade mark no later than 31 December 1985 and must have been continuously using its trade mark since registration until at least 31 December 1986.<sup>29</sup>

*European Community Regulation 2081/92* relates to geographical indications and designations of origin for agricultural products and foodstuffs. It states that registered geographical indications shall be protected against

any direct or indirect commercial use of a name registered in respect of products not covered by the registration in so far as those products are comparable to the products registered under that name or in so far as using the name exploits the reputation of the protected name.<sup>30</sup>

European Community laws directly deal with and regulate the ability of persons to register as trade marks the names of geographical indications. *Regulation 2081/92* states that registration of a trade mark shall be refused where its use 'exploits the reputation' of a geographical indication, is an 'imitation or evocation' of a geographical indication (even if the true origin of the product is indicated) or if there is any other false or misleading indication as to the origin of

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<sup>26</sup> Implemented by European Council, Regulation 3201/90, 16 October 1990 *OJ* (L 309).

<sup>27</sup> European Council, Regulation 2392/89, title III art 40(1), (1989) *OJ* (L 232).

<sup>28</sup> European Council, Regulation 2392/89, title III, art 40(1)(a), (1989) *OJ* (L 232).

<sup>29</sup> European Council, Regulation 2392/89, title III, art 40(3), (1989) *OJ* (L 232).

<sup>30</sup> European Council, Regulation 2081/92, (1992) *OJ* (L 208).

the product or any other practice liable to mislead the public as to the true origin of the product, arising from use of the trade mark.<sup>31</sup> Trade mark registrations in breach of this prohibition shall be declared invalid.<sup>32</sup>

The European Community laws also permit coexistence of registered trade marks and geographical indications where the trade mark is registered in good faith prior to the filing date of an application for registration of a protected geographical indication.<sup>33</sup> However, this is subject to invalidation of the trade mark registration on the grounds that it is descriptive or deceptive, or liable to mislead the public.

Finally, the same laws provide that a 'geographical indication shall not be registered where, in the light of a trade mark's reputation and renown and the length of time it has been used, registration of the geographical indication is liable to mislead the consumer as to the true identity of the product'.<sup>34</sup>

In summary, subject to the overriding concern to avoid deception or confusion, the European Community laws give recognition and protection to either a trade mark or a geographical indication depending on which has priority in time.

#### B *Bureau of Alcohol, Tobacco and Firearms 1989*

Under the *United States of America Federal Alcohol Administration Act of 1935*,<sup>35</sup> the US Department of Treasury is granted jurisdiction over federal alcoholic beverage controls, including wine labelling for interstate or international commerce, the American appellation system, and production regulation. This authority is exercised by the Bureau of Alcohol, Tobacco and Firearms ('BATF').

The US Regulations state that 'a brand name of viticultural significance may not be used unless the wine meets the appellation of origin requirements for the geographic area named'.<sup>36</sup> In other words, even though a brand name (or trade mark) may have been in use for a period of years before the BATF recognised and registered the name of a viticultural area, the BATF requires the pre-existing brand to cease being used unless the usage is under a BATF certificate of label approval predated 7 July 1986.<sup>37</sup> Wine bearing the brand name must either meet the appellation of origin requirements or bear the proper appellation of origin, or be labelled with some other statement that the Director of the BATF 'finds to be sufficient to dispel the impression that the geographical area suggested by the brand name is indicative of the origin of the wine'.<sup>38</sup> Thus the BATF appears to take the view that the protection of American viticultural areas prevails over the

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<sup>31</sup> European Council, Regulation 2081/92, art 14(1), (1992) *OJ* (L 208).

<sup>32</sup> European Council, Regulation 2081/92, art 14(1), (1992) *OJ* (L 208).

<sup>33</sup> European Council, Regulation 2081/92, art 14(2), (1992) *OJ* (L 208).

<sup>34</sup> European Council, Regulation 2081/92, art 14(3), (1992) *OJ* (L 208).

<sup>35</sup> *Federal Alcohol Administration Act of 1935*, 27 USC § 201–219a (2000).

<sup>36</sup> 27 CFR § 4.39(i)(1) (2000).

<sup>37</sup> 27 CFR § 4.39(i)(2) (2000).

<sup>38</sup> 27 CFR § 4.39 (i)(2)(i), (ii), (iii).

protection of trade mark rights, subject to a very limited recognition of a 'first in time' exception.

C Agreement on Trade-Related Aspects of Intellectual Property Rights

The *Agreement on Trade-Related Aspects of Intellectual Property Rights*<sup>39</sup> ('*TRIPS*') signed in Marrakesh in 1994, to which the United States, the European Community and Australia, among many others, are parties addresses the subject matter of geographical indications in arts 22, 23 and 24. Of particular importance are the provisions of art 24(5), which state:

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

- (a) before the date of application of these provisions in that Member ... ; 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 trade mark, or the right to use a trade mark, on the basis that such a trade mark is identical with, or similar to, a geographical indication.

*TRIPS* clearly contemplates coexistence of trade marks and geographical indications, giving priority to that which was first in time. However, it is interesting to note that the 'first in time' rule requires that the adoption or use of a trade mark in one country must take place before that same name is recognised as a geographical indication in 'its country of origin'. Accordingly, presuming no bad faith, a trade mark might be adopted in Australia in 1960 and used in good faith until the current time, only to find that an identical name became protected as a geographical indication in a foreign country, which is a member of the World Trade Organization, a few years before the Australian adoption of that trade mark. Even if there was no knowledge of that geographical indication in Australia and it had not yet acquired a reputation in Australia, the provisions of *TRIPS* would offer no protection to the Australian trade mark owner.

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<sup>39</sup> Opened for signature 15 April 1994, 33 ILM 1197 (1994) (entered into force 1 January 1995).

#### D *International Office of Wine and Vine*

The International Office of Wine and Vine ('OIV')<sup>40</sup> is an intergovernmental organisation operating in the field of wine and its derived products.<sup>41</sup> Forty-five countries including Australia are currently members of the OIV. Its missions are:

- (i) to inform Members of the measures they can adopt to take into account the concerns of producers, consumers and other participants in the wine sector,
- (ii) to assist ... other inter-governmental and international organisations in the area of vines and vine-related products, and
- (iii) to contribute to the international harmonisation of existing practices and norms, and, as necessary, to the preparation of new international standards in its field of competence in order to improve the conditions for producing and marketing vine and wine products and to ensure that the interests of consumers are taken into account.<sup>42</sup>

In 1995 the OIV passed a resolution to the effect that geographical indications and trade marks deserve equal protection, according to the principle that the first party in time to use a name, whether as a trade mark or as a geographical indication, should have priority.

#### E *International Association for the Protection of Intellectual Property*

At the International Association for the Protection of Intellectual Property ('AIPPI')<sup>43</sup> meeting in Rio de Janeiro in May 1998, the AIPPI adopted the following position on the conflict between trade marks and geographical indications:

The AIPPI considers the protection afforded to geographical indications in relation to wines and grape musts contained in Article 40 of EC Regulation 2392/89 to be excessive in so far as it provides that a geographical indication prevails over an earlier filed or used trade mark.

The AIPPI takes note of the principle of 'first in time, first in right' and considers that it could be a guiding principle for the resolution of conflicts between geographical indications and trade marks; the AIPPI therefore recommends that at least the principle of coexistence expressed in Article 5.3 of the Copenhagen Resolution should be applied:

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<sup>40</sup> The acronym 'OIV' is derived from its French name, *Office International de la Vigne et du Vin*.

<sup>41</sup> Established pursuant to the *International Convention for the Establishment in Paris of an International Wine Office, and Protocol of Signature*, opened for signature 29 November 1924, 16 ATS 1978 (entered into force 29 October 1927). It entered into force for Australia definitively on 8 August 1978.

<sup>42</sup> OIV, 'Missions' <[http://www.oiv.org/Presentation/frames\\_uk.html](http://www.oiv.org/Presentation/frames_uk.html)> at 16 May 2001 (copy on file with author).

<sup>43</sup> The acronym 'AIPPI' is derived from its French name, *Association Internationale pour la Protection de la Propriété Intellectuelle*.

to settle such conflicts AIPPI recommends in principle coexistence, unless the mark has acquired reputation or renown prior to the date the indication of source or appellation of origin has been established or recognized as such. In this case, protection of the indication or appellation should be denied, and registration refused or cancelled. This, however, does not preclude the use of the indication or appellation to identify the geographical origin of the goods or services under the conditions specified in Paragraph 31 of this Resolution.<sup>44</sup>

## VI THE POSSIBLE RESOLUTION IN AUSTRALIA: GEOGRAPHICAL INDICATIONS COMMITTEE DRAFT REGULATIONS

Australia is struggling to determine how to balance the competing interests of the owners of registered trade marks and those who are entitled to use geographical indications. The Australian Geographical Indications Committee ('GIC') was established pursuant to provisions of the *Australian Wine and Brandy Corporation Act*<sup>45</sup> to consider applications to register regions as geographical indications. The GIC has reviewed the problem of the overlap between geographical indications and trade marks. Although it has not yet been faced with the need to do so, it has held a number of meetings with interested persons with a view to determining how to resolve such conflicts.

The current proposal of the GIC is to make regulations to the *Australian Wine and Brandy Corporation Act* which might also become incorporated into the *Trade Marks Act*, setting out criteria that the GIC can take into account when determining whether to register a name as a geographical indication that is also a trade mark. In 1996 the GIC met with a Committee of the Australasian Chapter of the International Wine Law Association ('AIDV').<sup>46</sup> Working with the AIDV, the GIC prepared a series of draft regulations which would codify the GIC criteria and which are directed to factual issues such as:

- (a) the reputation of the region;
- (b) the reputation of the trade mark;
- (c) the length of time that the name has been used to indicate the region and the extent of such usage;
- (d) the length of time that the trade mark has been used and the extent of such usage;
- (e) whether, and to what extent, the reputation of the trade mark assisted in the development of the reputation of the region as encapsulated in the name;
- (f) whether, and to what extent, the reputation of the region as encapsulated in the name assisted in the development of the reputation of the trade mark;
- (g) the value of the trade mark;

<sup>44</sup> AIPPI Resolution, 'Question Q 62: Appellations of Origin, Indications of Source and Geographical Indications' in *AIPPI Yearbook 1998* (1999) vol VIII, 389, 390.

<sup>45</sup> *Australian Wine and Brandy Corporation Amendment Act 1993* (Cth) s 40N.

<sup>46</sup> The acronym 'AIDV' is derived from its French name, *Association Internationale des Juristes du Droit de la Vigne et du Vin*.

- (h) whether, and to what extent, the trade mark holder is likely to be prejudiced if the name becomes a registered geographical indication; and
- (i) whether, and to what extent, persons other than the trade mark holder are likely to be prejudiced if the name does not become a registered geographical indication.

The draft regulations have not yet been promulgated let alone implemented. Thus Australia's wine law regulator and its courts have no basis to determine applications for registration of names, which are also trade marks, as geographical indications. The key issue is, of course, that there is no mechanism for determining whether trade mark rights or geographical indications should prevail, if either. Certainly, there is no rule of Australian law in either the *Trade Marks Act* or the *Australian Wine and Brandy Corporation Act*, which gives priority to the first user.

In determining the rules according to which Australia's geographical indications are to be registered, it is interesting to recall Heerey J's decision in *La Provence* that the *Australian Wine and Brandy Corporation Act* was sui generis legislation and should not be interpreted according to trade mark principles.<sup>47</sup> The GIC draft regulations were prepared before *La Provence*, but are nonetheless entirely consistent with the finding that trade mark principles do not apply to wine law matters under ss 40C and 40 E of the *Australian Wine and Brandy Corporation Act*.<sup>48</sup> Similarly, the draft regulations discard the usual trade mark law principle of 'first in time has priority'. Thus, albeit without reference to the *La Provence* case, the draft regulations proceed on the same basis of the inapplicability of trade mark law.

The laudatory attempts of the GIC and of the AIDV to devise a mechanism for judging each case on its merits, do not proceed on the basis of priority of the first in time. Certainly priority in time is one issue, but it is only given brief consideration in the draft regulations. Accordingly, to adopt the draft regulations would place Australia out of step with the international scene, where there is no such complicated formula to determine the outcome of a conflict between trade mark rights and geographical indications.

The Australian attempt to do equity between the persons involved in such a dispute may be a parochial attempt to deal prospectively with a number of disputes that have been many years in the making, such as the 'Koppamurra' and 'Great Western' disputes mentioned earlier.<sup>49</sup> Both of these matters were discussed by the AIDV Committee, albeit briefly, in the considerations that led to the formulation of the draft regulations.

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<sup>47</sup> (1996) 35 IPR 170, 188.

<sup>48</sup> Ibid.

<sup>49</sup> See above n 7 and accompanying text.

VII A SUGGESTED OUTCOME: A MODIFIED PRIORITY IN  
TIME RULE ALLOWING COEXISTENCE

In any dispute where there is a bona fide use of a name as a trade mark and bona fide use of the same name as a geographical indication, there are four ways in which one can try to determine the question of priorities:

- 1 determine the matter by preset rules, giving automatic priority to either trade marks or to geographical indications, depending on your outlook (such as the BATF and the EC position); or
- 2 determine that either the geographical indication or the trade mark should be registered, but not both, purely on the question of priority in time (such as suggested by the OIV and AIPPI); or
- 3 determine which has priority on the basis of a formula (such as the draft Australian Regulations); or
- 4 allow both to be registered in the appropriate circumstances, provided that their use is regulated in such a manner as to avoid consumer deception.<sup>50</sup>

Perhaps because so much of my work is concerned with trade mark law, my starting point is that the issue should be determined by the question who has priority in time. On the other hand, I can equally understand the equitable result that the draft regulations are trying to achieve, as there are certainly inequities consequent upon the inflexible application of any rule. Thus I believe that there will be situations, albeit as special exceptions to the general principle of priority in time, where the laws should allow for a geographical indication to be registered that is identical to a trade mark, whether or not the trade mark is registered (and vice versa). Naturally, there must not be any resultant misleading or deceptive conduct or consumer deception, whether intentional or otherwise. Supplementary provisions may need to be designed to prevent this.

Accordingly, in my view, a blend of paragraphs 2 and 4 above would be appropriate. In principle, the first user has priority. Where this is shown to work true inequities however, exceptions allowing for concurrent use and registration of a trade mark and an identical geographical indication could be made. Of course, before the paragraph 4 exception could be applied, it would need to be shown that there had been bona fide adoption and use of each.<sup>51</sup> One could adopt

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<sup>50</sup> It is relevant to note that the Australian trade marks legislation has long recognised the principle of 'honest concurrent users' in s 44(3) of the *Trade Marks Act* and allowed the registration of identical trade marks for goods of the same description in appropriate cases.

<sup>51</sup> Some have suggested that in *La Provence* the Bryces unfairly lost their trade mark. That is merely a good illustration of how closely one must examine the facts in each case not just from the judgment but from the evidence itself. In *La Provence*, although it did not become a factor in the litigation, it was clear that the Bryces had in fact purchased their vineyard but had refused to pay for the goodwill in the name 'La Provence', but adopted it unilaterally several years after the purchase had been finalised. That matter was never fully explored in the litigation but, in my view, demonstrates why one cannot make hard and fast rules. Again, the name Provence has been well known as a name of a region in France for hundreds of years. Indeed, its founder named the La Provence Vineyard in 1956 after his native region, namely the region of Provence in France. Heerey J even accepted that the Provence region and wines from that region had a reputation in Australia: at 179.

aspects of the rules formulated under the trade marks legislation concept of 'honest concurrent users',<sup>52</sup> notwithstanding Heerey J's rejection of the application of trade marks law in *La Provence*.

To allow, even in exceptional cases, for concurrent use and registration would require regulation of the use of both the trade mark and the geographical indication, so as to ensure that there was no consumer deception. Such regulations should be designed to ensure that neither could take an unfair advantage of the other's reputation.

Can one envisage circumstances where trade marks and geographical indications coexist and wine labels bear appropriate consumer warnings or statements? I believe that the answer is clearly yes, and that the Australian wine industry has been considering such an approach.

At a meeting between members of the Australasian Chapter of the AIDV and the Australian GIC, a suggestion was made that would allow, in appropriate circumstances, for coexistence of trade marks and geographical indications and their registrations. The suggestion was that in such cases, the persons using either the relevant trade mark or the relevant registered geographical indication would be required to mark their label clearly so as to show consumers in what context the name was being used. Whilst the suggestion received little initial support, the Australian Wine and Brandy Corporation circulated to all members of the Australian wine industry a proposal that would incorporate this very suggestion. As the Registrar of Geographical Indications explained in a letter to me:

Experience has shown that because geographical indications are not identified as such, many names appearing on labels can be, intentionally or otherwise, ambiguous, misleading or confusing as to whether it is a GI claim, a brand name, a trade mark, winery name, vineyard or winery location or, winery address etceteras. Textual comments on a back label can also mislead as to the actual GI source of a wine.

It is believed that if a GI is preceded by an abbreviation identifying it as a GI claim, any confusion as to the intent of the statement should be eliminated. It is suggested that the initials 'RGA', which stand for 'Registered Geographical Area', should appear immediately adjacent to any registered GI name appearing in any description and presentation of wine.

It is further believed that if anything in a description and presentation of wine could imply a GI claim or, mislead as to the source of the grapes in a wine, then it should be mandatory to also make a GI claim to prevent any confusion. (This may conflict with trade mark legislation and may need to be addressed.)<sup>53</sup>

Whether the Australian wine industry accepts this suggestion, and whether it is then implemented and accepted by Australian consumers, remains to be seen. Nevertheless it is a proposal which, on its face, allows Australia to avoid the very tough policy decision of whether registered geographical indications should be registered in preference to trade marks, or vice versa. More importantly, it

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<sup>52</sup> *Trade Marks Act* s 44(3).

<sup>53</sup> Registrar of Geographical Indications, 16 June 1998 (copy on file with author).



would allow equity to be done in a number of difficult cases soon to be considered by the GIC.

Priority in time is not, at least at this stage, the approach being adopted in Australia, but one can only wonder whether the GIC will eventually turn down that path. If so, its attempts to be even-handed, rather than to serve any inflexible rule, will prove very interesting. It may be that, in due course, if the 'first in time' rule achieves eventual supremacy in Australia, it will be tempered or qualified by the results of these experiences.