



Australian Government

**Australia-European Union
Free Trade Agreement:
Consultation on a Possible New
Geographical Indications Right**

September 2020

ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the Aboriginal and Torres Strait Islander peoples of Australia. We acknowledge the Traditional Custodians of the lands on which our agencies are located and where we conduct our business. We pay our respects to ancestors and Elders, past, present and emerging. We acknowledge Australian Aboriginal and Torres Strait Islander peoples' unique cultural and spiritual relationships to the land, waters and seas and their rich contribution to our society.

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EXECUTIVE SUMMARY

In June 2018, the Australian Government launched negotiations for a comprehensive and ambitious Free Trade Agreement (FTA) with the European Union (EU). Currently, the only way to improve access to the EU market, is through FTAs. The EU is Australia's third largest trading partner and two-way investment partner. Securing improved access will deliver new trade and investment opportunities across Australia, including for our rural and regional areas. Creating more opportunities, on preferential terms, in a large, stable market such as the EU, with its population of 440 million potential consumers is more important than ever as we recover from the global COVID-19 pandemic, and will support and drive our economic and trade interests well into the future.

In order to secure Australia's interests in the FTA, the Government is engaging with the EU on its Geographical Indications (GI) interests. The Government has made no commitment to protect specific EU GIs and has made clear it would only consider doing so if the overall FTA deal was good enough for Australia, including by delivering on Australia's agricultural market access interests. **Nothing in this consultation paper means the Australian Government has agreed, or will agree, to make any changes to its existing GI regulatory framework or policy.**

This consultation seeks industry, business and community views on the type of system changes that may be considered in the event a negotiated outcome gave rise to changes to the way we currently protect GIs.

Consistent with its approach toward other FTA partners, the EU has identified the protection of GIs as one of its key objectives in the negotiations. As part of the FTA, the EU has asked Australia to agree to protect 236 spirit names and 172 agricultural and other names as GIs. The EU has also proposed a number of ways in which it would like Australia to protect EU GIs. You can find the proposals that the EU put forward on GIs on the [European Commission website](#).

The EU's proposals on how its GI terms would be protected or the standard of protection to be afforded to those GI terms also remains subject to negotiation. We note that the EU has agreed different outcomes on GIs in its other FTAs, including with Canada, Vietnam, Singapore, Japan, and Mexico for example, reflecting the specific interests and circumstances at play.

Should Australia agree to protect specific EU GI terms through the FTA and change the way we currently protect GIs, we would need to amend our law. Were we to do so, the Government would amend the *Trade Marks Act 1995* to create a GI right.

The Government will continue to engage closely with industry, business and interested stakeholders as part of the Government's efforts to enhance the transparency in the A-EUFTA negotiations. This covers all aspects of the FTA negotiations, including GIs. For example, from 13 August to 13 November 2019, the Australian Government held a public objections process on the GI terms the EU has asked Australia to protect as part of the FTA.

This consultation builds on our existing engagement by seeking views on core elements of an Australian GI system we consider relevant and appropriate to our circumstances. Some of these elements have been raised by the EU in the negotiations, some have not, as noted throughout the paper.

We are seeking your views on the key policy considerations outlined in this paper to inform the possible development of a new Australian GI right, including the main features of a registration system. The potential new GI right would accommodate any agreed outcomes in the A-EUFTA. It would be developed and implemented in a way that best meets the current and future needs of Australian businesses, industries and consumers.

We welcome written comments on any aspect of creating a new GI right, particularly comments addressed to the following questions:

Questions

Registering a GI

- Q.1 What types of goods should be eligible for protection as a GI?
- Q.2 Should GIs filed under a new system cover a single good or multiple goods?
- Q.3 Are there particular safeguards that should be considered for a new GI right?
- Q.4 Under what circumstances should two rights, for example a new GI and an earlier trade mark, be able to co-exist?
- Q.5 What level of detail should be required for any conditions of use, such as production methods, boundaries and what it means for a product to come from the region?

Standard of protection

- Q.6 Should a new GI right extend the international standard of protection for wines and spirits to all goods? Are there other practices that should be prevented?

Using a GI right

- Q.7 Who should be able to apply for a GI in Australia?
- Q.8 Should those who meet the requirements of a GI be able to use the GI automatically, or should they need approval from the GI right holder?

Enforcing GIs

- Q.9 Should any user be able to enforce a GI or should it be limited to the GI right holder?
- Q.10 Should criminal enforcement be available for GIs registered in Australia?

Costs and Benefits

- Q.11 What would be the costs and benefits to Australian industry, producers, and consumers of creating a new GI right?

The Australian Government's approach to consultation

This paper is about the main GI policy considerations for which we are seeking your written comments. Alternatively, you can complete a short survey available on the Government's [IP Australia website](#). We will also host virtual roundtables on specific themes, which include standard of protection, Australian use of GIs, the general operation of a possible GI system, and GIs and Indigenous Knowledge. For each of these roundtables, we will release short dedicated consultation papers to guide the discussion and seek feedback, to ensure the creation of any GI right is informed by the views of stakeholders. Details on how to engage in these consultations are available on the [IP Australia website](#).

Written submissions should be sent to consultation@ipaaustralia.gov.au

You can make a written submission responding to any or all issues outlined in this paper. For accessibility reasons please send submissions in Word, RTF or PDF format

Submissions should be made no later than **30 November 2020**.

If you have any questions, please contact Brendan Bourke (ph: 02 6283 7911) or email us at consultation@ipaaustralia.gov.au

Submissions on the A-EUFTA, including on issues unrelated to geographical indications, can be made through DFAT's [submissions portal](#) throughout the negotiations.

Ways to engage with this consultation



Write to us



Participate in a webinar



Take this five minute survey



Join us for a themed virtual roundtable



Call us
02 6283 7911

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INTRODUCTION

What is a Geographical Indication (GI)?

A GI is a name that identifies a product as originating in a country, region or locality where a particular quality, reputation or other characteristic of the product is essentially attributable to that geographic origin. 'Margaret River' is an example of an Australian wine GI. As a GI, it means that only wine made from grapes grown in the Margaret River region of Western Australia can use the term 'Margaret River' on their wine. Consumers have expectations about qualities, reputation or characteristics of such wine that are essentially attributable to its geographic origin. Once a GI is protected, the name may not be used except by producers who meet the rules protecting the GI.

Australia's current GI system

Australia currently protects GIs through certification trade marks (CTMs) and a bespoke wine GIs system under the *Wine Australia Act 2013*, with further enforcement available for spirit GIs under the food standards code.¹ The EU's requests for additional GI protection in Australia under the A-EUFTA would, if accepted, mean that Australia would have to change its GI system to implement negotiated outcomes. All recent EU FTA partners agreed to protect a list of GIs to conclude negotiations with the EU, and most countries have had to change their laws to do so. As such, this consultation seeks industry, business and community views on the type of system changes that may be considered in the event a negotiated outcome gave rise to changes to the way we currently protect GIs. **Nothing in this consultation paper suggests the Australian Government has agreed, or will agree, to make any changes to its existing GI regulatory framework or policy.**

Very few Australian businesses use GIs for goods other than the wine industry, which has approximately 116 registered GIs across Australia. Some commentators argue that Australian agricultural producers would benefit from introduction of a new GI right. Many Australian regions have developed a reputation for producing high quality goods and there is anecdotal evidence that some industries may have commercial interests in protecting and promoting Australian regional provenance through the use of GIs. Lack of awareness and system complexity are some explanations put forward for low domestic use of the existing GI system for non-wine GIs.

Other commentators say that by requiring specific rules of production, the EU's requirements for GI protections may limit innovation and reduce flexibility to adapt to changing environments such as increasing natural disasters and climate change, which may impact on the boundaries or qualities of distinct geographic regions.

Proposed approach to a possible new Australian GI right

A new GI right could be introduced as a new Part in the *Trade Marks Act 1995* and be administered by IP Australia. The new right could protect both Australian and international GIs, including any EU GIs agreed under the A-EUFTA. The right could be a clearly defined GI right, and while not a trade mark, it could take advantage of existing architecture within the Trade Marks Act and IP Australia for examination, opposition and registration, as appropriate.

¹ Australia New Zealand Food Standards Code (Standard 2.7.5)

Australia's current CTM and wine GI systems could remain unchanged if a new GI right is established. Alternatively, if a new system was designed to enable wine GIs to be included, Australia could move to a single GI system which could have a range of benefits to stakeholders including streamlined processes and potential reduced costs and regulatory burden.

List of European Union Geographical Indications

As part of the A-EU FTA negotiations, the EU provided [a list of names](#) it asked Australia to protect as GIs. The Government published the list of names as part of a public objections process in August 2019. The grounds for interested parties to object to any names being protected as GIs were similar to grounds of opposition available in the *Trade Marks Act 1995* and *Wine Australia Act 2013*. If Australia agrees to protect any of these names as GIs, they would not be put through an application process in any new Australian GIs system, but would be registered under the new GI legislation from the date the FTA enters into force.

Main features of a possible new Australian GI right

While a new GI right would need to accommodate any potential A-EUFTA outcomes, we would continue to develop and implement it in a way that best met the current and future needs of Australian businesses, industries and consumers. The following sections seek your feedback on the development of a possible new GI right that would best suit Australia's interests.



What is a GI?

A 'geographical indication', or 'GI' identifies a good as originating in a specific region where a particular quality, reputation or other characteristic of the good is essentially attributable to that geographic origin. Some GIs registered in Australia are:

- Darjeeling for tea
- Scotch Whisky for spirits and spirit based beverages
- Mount View for wine

KEY ELEMENTS
OF A POSSIBLE
AUSTRALIAN
GI RIGHT



Registration

Applications for GIs would need to meet certain criteria to be registered and the proposed new GI system would include safeguards to ensure common names of products and prior trade marks are respected.



Standard of protection

A standard of protection would define the limit of protection for a GI, and make it clear what terms could or could not be used by people who don't meet the rules for using the GI. The EU is seeking a standard of protection that exceeds internationally agreed protections for GIs.



Use

There would be rules that specify who could use a GI and the circumstances under which it could be used.



Enforcement

GIs would be enforceable by law and rights holders would be able to take legal action to prevent improper use of the GI.



1. REGISTERING A GI

What products could be protected by a new GI right?

In addition to wine GIs that Australia already protects, the EU is asking Australia to protect a list of GIs for agricultural products and foodstuffs, beers and spirits. A new GI right could either be limited so that it protects GIs for the types of goods sought by the EU, or it could be broader to include other types of goods such as handicrafts, pottery, textiles, wool products, or Indigenous craft. We note many countries (including India and many EU countries) that have dedicated GI systems, include a broader range of products other than agricultural goods, foodstuffs and alcohol.

Q.1 What types of goods should be eligible for protection as a GI?

Should a new GI right cover single or multiple goods?

In some countries a single GI relates to a single good. For example, the EU list includes the term 'Jijona' for nougat (a single good) . This contrasts with CTMs, where a single CTM can relate to any number of goods and services. The difference is due to the definition of a GI, which requires that there must be a quality, characteristic or reputation of the good that is essentially attributable to the geographic region. Such quality, characteristic or reputation is less likely to apply to a disparate range of goods. A first option would be to limit each GI registration to one good or category of goods.

Alternatively, a single GI could potentially relate to more than one good provided the goods share the same qualities, characteristics or reputation. For example, 'Barossa' is registered as a GI for wine but the Barossa region also has a reputation for producing a range of quality products including cheese and cured meats. Therefore, a second option is for applicants to file a single GI for multiple goods.

Q.2 Should GIs filed under a new system cover a single good or multiple goods?

Procedural safeguards

A common thread in the submissions Government received through the public objection process on proposed EU GI terms was the need to ensure continued use of food names that are in common use in Australia, including plant variety and animal breed names. The process for registering GIs under a potential Australian GI system would provide opportunities for any person to oppose registration of a GI. This would be expected to include scope to oppose registration on the basis that the GI is used in Australia as a common (or generic) name for the product or is used as the name of a plant variety or an animal breed in Australia. A potential Australian GI system would also be expected to recognise limitations to the protection a GI gives to the component terms (for example the EU GI 'Camembert de Normandie' would not prevent use of the term 'camembert'). The reasons for rejection and opposition in a new system could align with the existing CTM system and wine system.

Q.3 Are there particular safeguards that should be considered for a new GI right?

Relationship to trade marks

In implementing any new GI system, Australia would need to take into account existing prior trade mark rights to ensure those rights were not unduly affected. The relationship between GIs and trade marks would need to be clear. For example, under the existing CTM and wine GI systems, a trade mark owner can consent to the protection of a GI filed after the relevant trade mark and both rights can then co-exist.

Q.4 Under what circumstances should two rights, for example a new GI and an earlier trade mark, be able to co-exist?

Establishing a GI

Under a potential new GI system, applicants would need to provide information about the GI and any conditions that needed to be satisfied to use the GI when filing an application. In other countries' GI systems, and the CTM and wine GI systems, such information often includes:

- a description of the quality, reputation or other characteristic of the good, and how it is essentially attributable to the geographical origin
- a description of the region,
- any conditions of use, for example, any production methods that must be followed or boundaries where ingredients must be sourced from,
- for foreign GI applications, evidence that the GI is protected in the country of origin.

Under Australia's wine GI system, producers may use a GI if 85 per cent of the grapes used to produce the wine originate from the relevant geographical area. A requirement for 85 per cent local content is unlikely to be appropriate for other products. An Australian GI right would require a description of what it means to 'come from' the region (for example the percentage of or list of ingredients that must be from the region, or a percentage of or elements of production that must occur in the region).

Q.5 What level of detail should be required for any conditions of use, such as production methods, boundaries and what it means for a product to come from the region?

2. STANDARD OF PROTECTION

The EU is seeking a standard of protection² for GIs in Australia that exceeds the international agreed standards for protection of GIs.³ Under these standards the use of a term protected by a wine or spirit GI can be prevented even if the use is not misleading, and the use of a GI word with 'type' or 'style' added to it is also prevented. For example, 'Champagne' is protected as a GI in Australia under the wine system. Other producers cannot label a wine as 'champagne-style', even if the label clearly states it is made in Australia. The EU is seeking to extend this to agricultural products, foodstuffs and beers and to add other concepts and policy issues that are unfamiliar in Australian law.

For example, the EU is seeking to prevent 'indirect commercial use', 'exploitation of the reputation of a GI', 'misuse, imitation or evocation' of a GI, even if translated, transcribed or transliterated, or use that is 'liable to convey a false impression as to the origin of a good'. Australian stakeholders have already raised concerns about some of these issues in our consultations to date, including through the 2019 public objections process. A number of Australian stakeholders have emphasised that any protection of GIs should not extend beyond the internationally agreed minimum standards which currently apply to wine and spirit GIs in Australia.

Evocation, in particular, has been widely criticised by Australian stakeholders. 'Evocation' prevents the use of words or images that bring a GI to mind in consumers. For example, in the EU a producer has been prevented from selling whisky labelled 'Glen Buchenbach' because 'glen' (meaning 'valley') is a term used in Scotland and was found to evoke the GI 'Scotch Whisky'. As another example, cheese sold in packaging with images of windmills and sheep was found to evoke the Spanish GI 'Queso Manchego' because those images are typical of the region in Spain where the GI is produced.

Evocation is a uniquely EU concept but is not defined in EU legislation. Rather, guidance on what constitutes evocation is limited to a small number of decisions from European courts. We note the EU has not been successful in negotiating for protection of GIs against evocation in its other FTAs, including with Canada, Singapore, Japan, Mexico and MERCOSUR. Previous submissions from Australian stakeholders expressed the view that evocation is excessive, unnecessary and detrimental to Australian industry and innovation.

In relation to translations, the EU has not provided official translations of its GI terms but is seeking automatic protection of translations of GIs. For example, protection of the EU GI 'Vinagre de Jerez' would potentially extend to translations into any language, including the English translation 'Sherry Vinegar'. Australia does not offer automatic protection under its current systems for protecting GIs. During the 2019 public objections process, a number of Australian stakeholders raised concerns about the difficulty in identifying and objecting to unlisted translations of terms.

There will be a roundtable discussion during the consultation period on the standard of protection.

Q.6 Should a new GI right extend the international standard of protection for wines and spirits to all goods? Are there other practices that should be prevented?

² EU Text Proposal – Article X.34

³ Article 22 and 23 of the *Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) 1994*

3. USING A GI RIGHT

Who can apply for a GI?

An applicant for a GI would need to be a natural person, corporation, or government body and be able to represent the interests of users in the relevant geographical area. This might include an individual, an incorporated collective of producers, an industry body, a regional or tourism organisation, or a local, State, Territory or Federal government authority. Upon registration of a GI, this legal person would be responsible for maintaining registration of the GI. We are seeking views on how closely the applicant should be connected to the good and the region. For example, who should be able to represent the interests of producers who would use the GI in a particular region? Another consideration is whether the applicant would need to demonstrate a connection to the goods and the region when they file an application for a GI, and if so, what this would entail.

Q.7 Who should be able to apply for a GI in Australia?

Who can use a GI?

A single registered GI right can be used by a group of producers. The EU is proposing that registered GIs should be able to be used by:

- Any producer⁴:
 - from an established GI area;
 - who submits to the system of controls to produce the product labelled with the GI; and
 - who complies with the product specifications.
- Any operator marketing products conforming to the product specifications⁵.

According to the EU proposal, no other conditions to use the GI would apply.

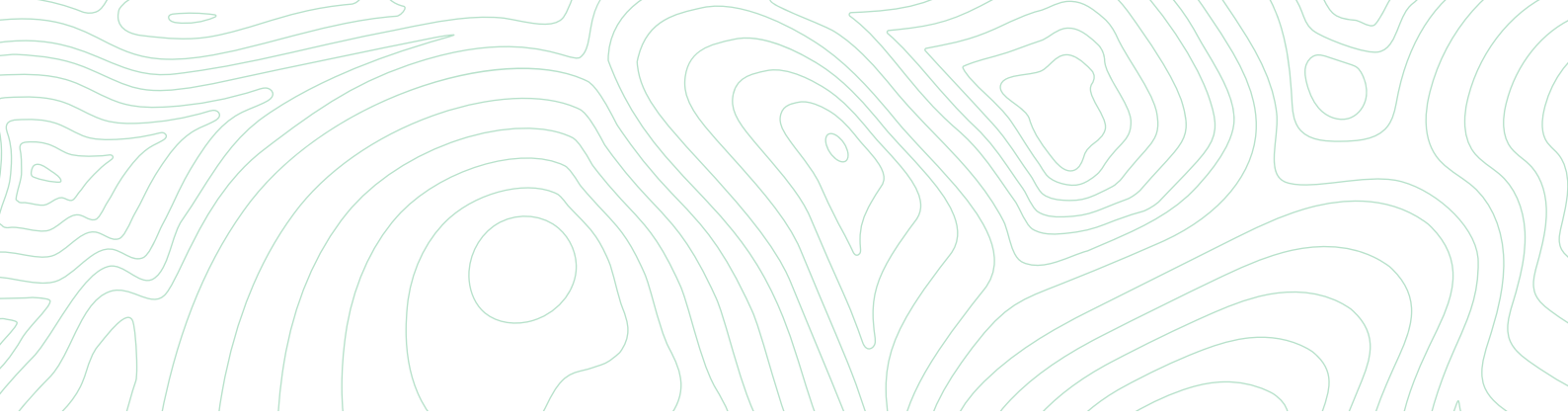
Australia's wine GI system does not require detailed product specifications. Producers may use a GI if 85 per cent of the grapes used to produce the wine originate from the relevant geographical area. No other production requirements are required.

On the other hand, under Australia's CTM system the owner has exclusive rights to use the trade mark and to approve use by others. This approach might be unsuitable for any new GI right, as GIs are typically a more collective initiative. We are seeking views on whether potential users should be required to gain approval from the GI right holder to use a GI.

Q.8 Should those who meet the requirements of a GI be able to use the GI automatically, or should they need approval from the GI right holder?

⁴ EU Text Proposal, X, 35

⁵ EU Text Proposal, Annex A, Section B



4. ENFORCING GIs

Consistent with Intellectual Property (IP) rights generally, the holders of a GI as the beneficiary of the right should generally be responsible for enforcing their right through civil action. Currently, infringement actions for CTMs may be brought before the Federal Court of Australia or State and Territory Supreme Courts. Rights holders may also take action under the common law tort of passing off.

The nature of a GI differs to other forms of IP, with many users being able to benefit from the right, often without the holder's knowledge. A legitimate user of a GI may have no contact with the holder and wish to stop incorrect and damaging use of a GI without reference to the holder.

Australia's wine GI system provides for a range of legal persons who can take action to enforce a wine GI, including winemakers, grape growers and organisations with an interest in the marketing and promotion of wine.

Q.9 Should any user be able to enforce a GI or should it be limited to the GI right holder?

Criminal penalties are available for counterfeiting under the Trade Marks Act. These provisions are enforced by the Australian Federal Police and the Commonwealth Director of Public Prosecutions. State and Territory police and prosecution agencies also deal with breaches of trade marks legislation on behalf of the Australian Government.⁶ Under the Trade Marks Act, counterfeiting carries a penalty of up to five years' imprisonment or a fine up to AU \$115,500.

Criminal sanctions also apply under the Wine Australia Act for the false or misleading use of a GI. These sanctions have not been used.

Q.10 Should criminal enforcement be available for GIs registered in Australia?

⁶ Australian Institute of Criminology, Intellectual property crime and enforcement in Australia, Research and Public Policy Series No 94, 2008.



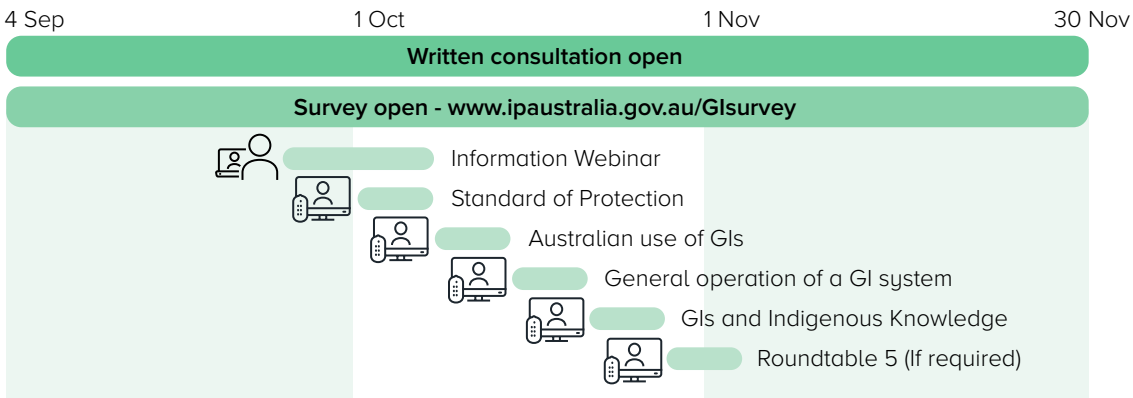
NEXT STEPS

As discussed above, the Government has made no commitment to protect specific EU GIs and has made clear it would only consider doing so if the overall FTA deal was good enough for Australia, including by delivering on Australia’s agricultural market access interests. We are undertaking active consultation including consideration of the costs or benefits of creating a new GI right.

Q.11 What would be the costs and benefits to Australian industry, producers, and consumers of creating a new GI right?

This consultation will be open until 30 November 2020 and you can engage and provide feedback through [IP Australia’s website](#).

You can also join the conversation and provide feedback on specific areas of interest to you through the webinar and virtual roundtables during the consultation period. More details are available on IP Australia’s website.



Once the consultation period has ended any non-confidential submissions will be made available on the IP Australia website and IP Australia will publish a response to the consultation.

We will also consult on any draft legislation for GIs at a later date, should a decision be made to progress GI reform to that stage in Australia.