

## Public objections process on EU Geographical Indications

Submissions by [REDACTED] regarding application to register

**PROSECCO**

**as a Geographical Indication in Australia**

The European Union (EU) has applied for PROSECCO to be determined as a geographical indication (GI).

The EU previously sought to protect PROSECCO as a GI in Australia. This was opposed in 2012 by the peak body of Australian wine producers.<sup>1</sup> AGW's objection<sup>2</sup> was successful, with the word "Prosecco" found to have been used in Australia as the name of a grape variety<sup>3</sup>. The Hearing Officer declined to exercise his discretion to recommend that the term be registered.

The leading ampelological text (published by Penguin Books in the United Kingdom) states that the Prosecco grape variety is:

*Misleadingly renamed Glera for commercially protective reasons*

### SUMMARY OF SUBMISSIONS

- A. PROSECCO is recognised internationally as a grape variety.
- B. PROSECCO is used in Australia as the name of a grape variety, and this has been the case since at least the mid-1990s.
- C. Recognising PROSECCO as a GI would be contrary to Australia's treaty obligations.
- D. If PROSECCO were to be recognised by Australia as a GI, it would have significant and detrimental effects on Australian wine makers and grape growers involving in the production of PROSECCO wines. The grape variety has been a success story of the Australian industry over the last decade. Australian producers have invested heavily to develop the reputation of the variety with Australian consumers to the benefit of both Australian and Italian producers, but Australian producers would be significantly prejudiced if they could no longer use the name of the variety on which the reputation has been built. Even if co-existence were provided for, the registration as a GI would equip the Italian and EU governments with the ability to threaten Australian producer's genuine use of the name as a grape variety.

<sup>1</sup> Then known as Winemakers' Federation of Australia, now Australian Grape & Wine (AGW).

<sup>2</sup> Pursuant to regulation 58(5) of the *Wine Australia Corporation Act 1980*.

<sup>3</sup> Objection by the Winemakers' Federation of Australia, pursuant to regulation 58(5) of the *Wine Australia Corporation Act 1980*, to an application by the European Commission for protection in Australia of the Italian geographical indication Prosecco, ATMOGI\_2013, attached as Item 2 of the Annexures.



██████████ submits that there has been no change in the circumstances prevailing in 2012. Indeed, in the intervening decade, the Prosecco grape variety has been far more widely planted in Australia, and the term far more widely used to identify wines produced from the grape variety.

Therefore, the Australian government should refuse to allow PROSECCO to be protected as a GI in Australia.



### Background to claim of 'Prosecco' being a GI

In November 2009, the EU adopted Commission Regulation (EC) No 1166/2009, "amending and correcting" Commission Regulation (EC) No 606/2009.



The effect of this regulation was to:

- replace the protected designations of origin 'Prosecco di Conegliano Valdobbiadene' and 'Montello e Colli Asolani' with the protected designations of origin 'Prosecco', 'Conegliano Valdobbiadene – Prosecco' and 'Colli Asolani – Prosecco' and 'Asolo – Prosecco'; and
- "the vine variety 'Prosecco' is now renamed 'Glera'." [exact quote]



The Australian government issued a Comment on this Regulation, item 2.4 of which stated:

"Australia believes the changes governing the use of the grape variety "Prosecco" which is now referred to as "Glera" ... are contrary to Article 2.1 and Article 2.2 of the WTO Agreement on Technical Barriers to Trade. This change of name for the grape variety in effect removes access to this grape variety (and style of wine) which is used by a number of winemakers throughout the world."



A copy of the Comment is attached as Item 1 of the Annexures.



#### A. INTERNATIONAL RECOGNITION OF PROSECCO AS A GRAPE VARIETY

1. PROSECCO is widely recognized internationally as a grape variety. The following references demonstrate this.
2. PROSECCO is listed as a grape variety for Australia by the International Organisation of Vine and Wine (**OIV**) in its *International list of vine varieties and their synonyms* (2<sup>nd</sup> ed., July 2012) (**OIV Variety List**).<sup>4</sup>
3. Leading reference books, journal articles and monographs in relation to vine varieties also recognize PROSECCO as a grape variety.



<sup>4</sup> It is also listed as a variety for Argentina (p 20), Bulgaria (p 41), Croatia (p 84) and Slovenia (p 219).





- (a) The leading reference book *Wine Grapes: A complete guide to 1,368 vine varieties, including their origins and flavours*<sup>5</sup> states:

### PROSECCO

*The dominant, rather neutral grape for Prosecco sparkling wine, probably Istrian. Misleadingly renamed Glera for commercially protective reasons.*

...

Since the late eighteenth century, several morphologically distinct varieties have been called Prosecco in the area of Conegliano in the province of Treviso in northern Italy, possibly taking the name of the village of Prosecco in the province of Trieste. In the mid nineteenth century, Balbi Valier selected and cultivated a particular clonal variation named Prosecco Tondo after the shape of the berries (*tondo* is Italian for 'round'). In the 1980s, two other clonal variations were selected for further study by the research centre at Conegliano: PROSECCO LUNGO, with oval berries (*lungo* means 'long') and Prosecco Nostrano (*nostro* means 'ours').

...

As part of the promotion of Prosecco di Conegliano-Valdobbiadene to DOCG status and the enlargement of the Prosecco DOC zone in 2009, the Prosecco Consorzio set in motion an official name change so that this principal grape variety is known as Glera, its supposed Friulian synonym, and Prosecco is reserved for the designation of origin, effectively preventing producers from other regions or countries taking advantage of the name Prosecco to designate any old sparkling wine ... This amendment is both confusing and misleading: Glera is a generic name applied to several distinct varieties in the province of Trieste, and recent studies have shown that Glera in fact usually refers to PROSECCO LUNGO and much less frequently to Prosecco (Tondo) and other local varieties from the Karst region such as VITOVSKA, or the non-cultivated Aghedone and Mocula.

- (b) The journal article *Prosecco: Grape, wine or style?*<sup>6</sup> states:

<sup>5</sup> Robinson & Ors, 2012

<sup>6</sup> Shah, *Meningers Wine Business International*, 2007, Vol 6





Prosecco is not just the name of an Italian sparkling style, but also a grape ...

...

“There are 800 hectares of vineyard planted to Prosecco in Brazil,” says Bisol, “and vineyards in Romania, Australia, China, India and Argentina.” [quote from Gianluca Bisol, an Italian PROSECCO producer]



- (c) The monograph *Prosecco: A grape variety from the Veneto region of Italy*<sup>7</sup> states:



Prosecco is a sparkling wine that finds its origins in the north east of Italy in the hills of Conegliano and Valdobbiadene and has been grown there for at least two centuries ... The variety produces a sparkling wine that ranges from the brut style to the Cartizze, which is a particularly sweet style ...

## B. AUSTRALIAN RECOGNITION OF PROSECCO AS A GRAPE VARIETY

4. PROSECCO is used in Australia as the name of a grape variety. This has been the case since at least the mid-1990s.



### Regulations

5. Regulation 25 of the *Wine Australia Regulations* 2018 is titled *Grape Varieties*. It states:
- (1) For the purposes of subsection 40F(6)<sup>8</sup> of the *Wine Australia Act* 2013, a name used for a variety in the description and presentation of wine originating in Australia must be a name of a variety, or a synonym of a name, that is recognised as a name or a synonym by at least one of the following organisations:
- (a) International Organisation of Vine and Wine;
  - (b) International Union for the Protection of New Varieties of Plants;
  - (c) International Plant Genetic Resources Institute.



The effect of this regulation is to identify exhaustively the grape variety names that may be used in Australia. As noted above at paragraph 2 above, the OIV Variety List identifies PROSECCO as a grape variety for Australia.



<sup>7</sup> Dal Zotto, International Specialised Skills Institute Inc, 2009 (Dal Zotto)

<sup>8</sup> Section 40F of the Act concerns misleading descriptions and presentations of wine. The effect of this section is that the use of a grape variety which is not permitted by Reg 25 would result in the wine having a misleading description and presentation.





### Nurseries

6. The Yalumba Nursery in South Australia first imported PROSECCO vines in 1997 (from Conegliano, Italy).
7. Binjara Vine Nursery in New South Wales has also sold PROSECCO vines.
8. The Riverland Vine Improvement Committee has also supplied PROSECCO vines, sourced from an Italian supplier, Vitis Rauscedo.

### Dal Zotto Wines

9. Dal Zotto Wines first planted PROSECCO vines in the King Valley in 2000. It obtained its PROSECCO vines from a private grower in Adelaide. DNA testing has confirmed that they are PROSECCO vines.
10. Dal Zotto Wines released its first commercial vintage of wine made from PROSECCO grapes in December 2004.

### Brown Brothers

11. Brown Brothers first grafted vines to the PROSECCO variety in the King Valley in 2006.
12. Brown Brothers released its first commercial vintage of wine from PROSECCO grapes in December 2009.

### General

13. Wines made from PROSECCO grapes have been extensively promoted in Australia. For example, in 2011, the King Valley Prosecco Road was launched. The King Valley Prosecco Road was the joint initiative of six King Valley winemakers (Brown Brothers, Chrismont, Ciccone, Dal Zotto, Pizzini and Sam Miranda). It is a food and wine trail designed to promote the PROSECCO wines of those producers.
14. The home page for the King Valley Prosecco Road (located at <https://www.winesofthekingvalley.com.au/king-valley-prosecco-road/> ) promotes the region as "Australia's home of Prosecco" – see item 3 of the Annexures.
15. Part D of this paper sets out the significant expansion of the production and sale of Prosecco over the last decade.

## C. AUSTRALIA'S TREATY OBLIGATIONS

### EC-Australia Wine Agreement

16. Article 13(2) of the *Agreement between Australia and the European Community on Trade in Wine*<sup>9</sup> (**Wine Agreement**) requires the contracting parties to take measures to protect the geographical indications listed in Annex II to the Wine Agreement. Relevantly, the article requires Australia to prevent (through domestic law) the use of the European geographical indications listed in Annex II to identify wines not originating in the place indicated by that geographical indication.
17. Pursuant to Art 13(4), the obligations imposed by Art 13(2) are “without prejudice” (which should be understood as meaning “subject to”) to Art 22.
18. Article 22 states:
  1. Each Contracting Party agrees to allow in its territory the use by the other Contracting Party of the names of one or more vine varieties, or, where applicable, their synonyms, to describe and present a wine, so long as the following conditions are complied with:
    - (a) the vine varieties or their synonyms appear in the variety classification drawn up by the Organisation Internationale de la Vigne et du Vin (OIV), Union for the Protection of Plant Varieties (UPOV) or International Board for Plant Genetic Resources (IGPBR);
    - ...
    - (f) the name of the variety (-ies) or their synonyms shall not be used in such a manner as to mislead consumers as to the origin of the wine. For this purpose, the Contracting Parties may determine the practical conditions under which a name may be used.
19. PROSECCO does not appear in Annex II to the Wine Agreement and Australia is not presently required by the terms of the Wine Agreement to protect PROSECCO as a geographical indication. This is confirmed by Art 13(10), which states:

The Contracting Parties affirm that rights and obligations under this Agreement do not arise for any geographical indications other than those listed in Annex II ...

<sup>9</sup> (Brussels, 1 December 2008) (Entry into force, 1 September 2010)

20. The absence of PROSECCO from the list of protected geographical indications in the Wine Agreement is consistent with the treatment of PROSECCO in the treaty that preceded the current Wine Agreement, the *Agreement between Australia and the European Community on Trade in Wine* (1 January 1994) (**1994 Wine Agreement**).

21. In the 1994 Wine Agreement, pursuant to Art 7, the European geographical indications listed in Annex II were protected. The name PROSECCO appears twice in Annex II, under the heading 2.2.5 *Veneto Region*, as follows:

Montello e Colli Asolani, accompanied by one or more of the following expressions:

- rosso
- superiore

or by the name of one of the following **vine varieties**:

- Prosecco

...

Prosecco di Conegliano (Valdobbiadene), whether or not accompanied by the geographical indication “Superiore di Cartizze”

(emphasis added)

22. The name CONEGLIANO-VALDOBBIADENE (whether or not followed by CARTIZZE) is listed as a protected geographical indication in Annex II to the Wine Agreement.<sup>10</sup>

### Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)

23. Article 23 of TRIPS also requires Australia to provide a legal means for preventing the misuse of geographical indications. However, Art 24(6) states:

... Nothing in this Section shall require a Member to apply its provisions in respect of a geographical indication of any other Member with respect to products of the vine for which the relevant indication is identical with the customary name of a grape variety existing in the territory of that Member as of the date of entry into force of the WTO Agreement.<sup>11</sup>

<sup>10</sup> The name COLLI DI CONEGLIANO (whether or not followed by REFRONTOLO or TORCHIATO DI FREGONA) also appears in Annex II to the Wine Agreement.

<sup>11</sup> The “WTO Agreement” is the Agreement Establishing the World Trade Organization, which entered into force for Australia (and generally) on 1 January 1995.

## Consumer protection

24. The EU has previously contended that the use of PROSECCO by Australian producers will mislead consumers as to the origin of the goods. There is no support for any such contention.
25. There has never been any evidence to support the Applicant's contention that the name PROSECCO is exclusively associated by consumers in Australia with Italian wines.
26. The 2012 Decision noted:

This claim [that "*the majority of consumers worldwide consider Prosecco to have a geographical rather than varietal connotation*"] appears to be supported by generalised figures on the volume of sales, including export sales, rather than survey evidence or expert opinion about the significance of the term in the market place either internationally or more specifically in Australia.<sup>12</sup>
27. Since 2012, the market for Australian wine made from the Prosecco grape has boomed (see Part D below), so there is even less likelihood now for consumers to be misled.
28. It is well established at law in Australia that where a product is clearly labelled so as to identify the producer and the origin of the product, consumers will not be misled.<sup>13</sup>
29. It is mandatory for Australian wines to be labelled with a statement identifying them as produce of Australia.<sup>14</sup> All Australian PROSECCO wines have been, and will continue to be, labelled with a statement to the effect that they are "produce of Australia".



## Conclusions

30. The following conclusions can be reached by an examination of the Wine Agreement, the 1994 Wine Agreement and TRIPS.
  - (a) Australia's obligations to protect GIs are subject to carve outs which permit the ongoing use of the customary names of grape varieties by Australian wine producers.<sup>15</sup>
  - (b) Neither the Wine Agreement, nor the 1994 Wine Agreement, recognize that PROSECCO *simpliciter* is a geographical indication. Further, the 1994 Wine Agreement expressly identified PROSECCO as a grape variety.



<sup>12</sup> 2012 Decision, fn 11

<sup>13</sup> See, by way of example, *Parkdale Custom Built Furniture Pty Ltd v Puxu Pty Ltd* 1A IPR 684, per Gibbs CJ at 689.

<sup>14</sup> Food Standards Code, Food Standard 1.2.11 – Country of Origin Requirements

<sup>15</sup> Relevantly, Art 22 of the Wine Agreement requires the Applicant to allow Australian wine producers to use the grape varieties in the OIV Variety List in the European Community.

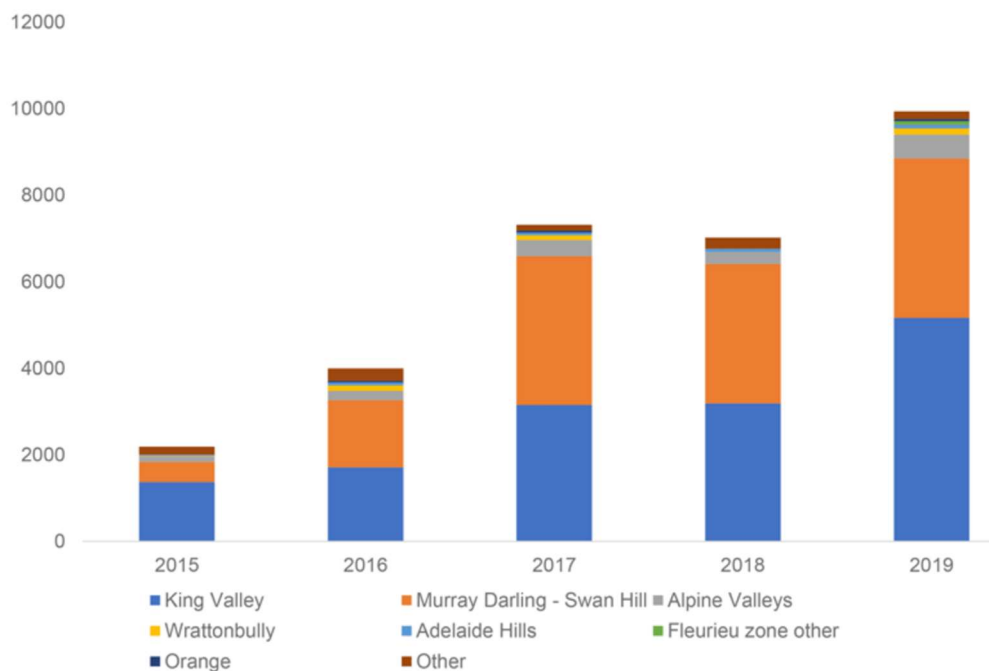
(c) The Wine Agreement does not require Australia to protect PROSECCO as a geographical indication.

31. Australia's international obligations do not weigh in favour of recommending that PROSECCO be determined as a geographical indication. In fact, they support the conclusion that PROSECCO is a grape variety, the ongoing use of which is protected.

#### D. COMMERCIAL IMPACT ON AUSTRALIAN PRODUCERS

32. The quantity of Prosecco grapes produced in Australia has increased from less than 2000 tonnes in 2015, to around 14,000 tonnes in 2021 and 2022 – an average increase of 32 per cent every year over that timeframe.<sup>16</sup>
33. According to Wine Australia, by 2019 Prosecco was one of the top 10 white varieties grown in Australia. Furthermore, the price for which grape growers could sell Prosecco grapes had far outstripped the price of other white (and most red) winegrapes – with the average purchase price of Prosecco in 2019 being \$835 per tonne, well above the national average for all white winegrapes of \$462 per tonne. In the King Valley, the average purchase price was over \$1000 per tonne.<sup>17</sup>

Figure 1: Crush of Prosecco in Australia over time (tonnes)



Source: Wine Australia

<sup>16</sup> <https://theshout.com.au/national-liquor-news/prosecco-a-reason-to-celebrate/>

<sup>17</sup> <https://www.wineaustralia.com/news/market-bulletin/issue-170>

34. In 2019, Prosecco had been planted across 11 Australian regions. By 2022, this had grown to 20 regions, albeit with the majority concentrated in Victoria's King Valley and Murray Valley.
35. Prosecco is said to now make up more than 40 per cent of King Valley's production.<sup>18</sup>
36. Prosecco was the eleventh largest varietal by value in the off-trade retail wine market with sales of just over \$100 million in 2018–19, according to IRI MarketEdge. Australian Prosecco accounted for two-thirds of total sales with Italy contributing a third.
37. By 2022, the value of production of Australian Prosecco had reached ~\$200 million per annum.<sup>19</sup>
38. Although Australian PROSECCO wines have been exported to quite a few countries, the ability to export has been hampered by the increasing number of export markets where the product cannot be labelled as "Prosecco", due to GI and trade mark registrations pursued by the Italian Consorzio Di Tutela Della Denominazione Di Origine Controllata Prosecco (**the Consortium**).
39. If PROSECCO were determined as a geographical indication, it would be necessary for Australian producers to cease using the name PROSECCO immediately. Further, the effect of determining PROSECCO as a geographical indication would not merely be prospective – it appears to be that it would be unlawful for Australian producers to sell their existing stock of wines labelled as PROSECCO.
40. It would have very significant and detrimental effects on Australian producers of PROSECCO wines in they are required to cease using the name PROSECCO (including a requirement to re-label existing stock).
41. Some examples of these effects are obvious:
  - (a) the cost of redesigning labels and promotional materials to remove references to PROSECCO;
  - (b) the cost of relabelling existing stock; and
  - (c) the sunk cost of any labels and marketing materials which can no longer be used.
42. Other effects would be more difficult to measure, for example:
  - (a) the lost investment in promoting PROSECCO wines in Australia;
  - (b) the diminution in the value of the goodwill established by Australian producers in wine brands which incorporate the name PROSECCO;
  - (c) the cost of building goodwill in new brands based on a different varietal name (presumably GLERA); and

<sup>18</sup> <https://theshout.com.au/national-liquor-news/prosecco-a-reason-to-celebrate/>

<sup>19</sup> <https://wbmonline.com.au/save-australian-prosecco-briefing/>

- (d) the potential interruption to business around the time when the determination of PROSECCO takes effect and it is necessary to cease selling wines by reference to the name PROSECCO.

43. Even if some form of co-existence were technically possible, such that PROSECCO were registered as a GI but also continued to be available for use as a grape variety, the registration of the name as a GI would provide the opportunity for well-resourced Italian producers (or the Consortium) to threaten Australian producers over their *bona fide* use of the term as a grape variety. A recent example of such a threat is attached as Item 3 of the Annexures – a letter of demand sent by Australian lawyers on behalf of the French Champagne house Louis Roederer to a client of [REDACTED] (We have the client’s permission to reproduce the letter in full.)

Although in that case the registration relied on in the cease & desist letter is a trade mark registration (as opposed to a registration of a geographical indication), the principle is the same – with the recipient of the letter simply using the registered name of a grape variety (Crystal) to describe wine made from that variety.

44. Other likely impacts include a ban on the use of the name PROSECCO in connected with related goods and services provided by third parties, such as:

- (a) the annual Prosecco Festival run at the Abbotsford Convent in Melbourne, Victoria, which is now in its 7<sup>th</sup> year;
- (b) business names such as “Boho & Prosecco”, used by environmentally-friendly outdoor event organiser, The Socially Conscious Picnic Co., and the other 38 owners of Australian Registered Business Names (ABNs) incorporating PROSECCO in their name (<https://www.abr.business.gov.au/Search/ResultsActive?SearchText=prosecco>);
- (c) the name PROSECCO ROAD to describe the popular tourist route through the King Valley wine region in Victoria developed by local Prosecco producers with the support of the Victorian Government (see <https://djsir.vic.gov.au/about-us/news/sparkling-future-for-prosecco-road>);
- (d) venue names such as PROSECCO LOUNGE or PROSECCO BAR by Australian hospitality businesses offering non-Italian wines (e.g. <https://brownbrothers.rezdy.com/348754/lunch-in-the-prosecco-lounge> and <https://www.missfizz.com.au/>); and
- (e) signage, lists, menus and other marketing and advertising materials related to the on- and off-premise sale of Australian Prosecco wines.

45. Conversely, if PROSECCO is not determined as a geographical indication in Australia, it will have little, if any, impact on Italian producers of PROSECCO. Italian wines made from PROSECCO grapes will have the same level of access to the Australian market as they presently do, and can be labelled with the “new” Prosecco GIs. Those wines will be in competition with Australian wines made from PROSECCO grapes. This is the status quo and has been so for two decades.
46. From the text of the 1994 Wine Agreement, it is apparent that the Applicant accepted that the name PROSECCO would only be protected as a part of a more complex name such as PROSECCO DI CONEGLIANO. The 1994 Wine Agreement also expressly referred to PROSECCO as a grape variety.
47. Against this background, and having regard to Reg 20, Australian wine producers have adopted PROSECCO as a grape variety name.
48. When the 1994 Wine Agreement was revisited in 2008, the Applicant did not obtain greater protection for the name PROSECCO. In fact, it does not appear in the Wine Agreement at all.
49. It can therefore be seen that the Applicant’s attempt to obtain protection for PROSECCO *simpliciter* as a geographical indication has been very delayed.
50. During the period of that delay, Australian wine producers have legitimately established a market for, and a reputation in, PROSECCO wines.
51. Had the European Community obtained the protection for PROSECCO *simpliciter* that it now seeks from an early stage, the use of PROSECCO by Australian producers would not have come to pass.
52. Having delayed for decades, it would be very unfair if the EU is permitted to obtain protection for PROSECCO *simpliciter* at the expense the legitimate activities of Australian wine producers.



## Annexures

1. Australian Government Comment on Commission Regulation (EC) No 1166/2009
2. Objection by the Winemakers' Federation of Australia, pursuant to regulation 58(5) of the *Wine Australia Corporation Act 1980*, to an application by the European Commission for protection in Australia of the Italian geographical indication *Prosecco*, ATMOGI\_2013
3. King Valley Prosecco Road webpage
4. Letter of demand dated 6 October 2022 from [REDACTED] regarding use by [REDACTED] in "Crystal" as a grape variety name.



**Comment of the Government of Australia on  
Commission Regulation amending and correcting Regulation (EC) No  
607/2009 laying down certain detailed rules for the implementation of  
Council Regulation (EC) No 479/2008 as regards protected designations  
of origin and geographical indications, traditional terms, labelling and  
presentation of certain wine sector products  
Notified in  
WTO Notification G/TBT/N/EEC/305  
published 14 January 2010.**

**1. Generic comments**

1.1 Australia welcomes the opportunity to provide comments on this Notification.

1.2 Australia wishes to stress the importance of compliance with the obligations of the WTO Agreement on Technical Barriers to Trade (TBT Agreement). In particular, to ensure, *inter alia*, that:

- imported wine products are accorded treatment no less favourable than that accorded to like EU products (Article 2.1)
- technical regulations do not create unnecessary obstacles to international trade and shall not be more trade restrictive than necessary to fulfil a legitimate objective, taking account of the risks non-fulfilment would create (Article 2.2)
- technical regulations for labels are specified in terms of performance rather than design or descriptive characteristics (Article 2.8).

1.3 Transparency will also be very important in the implementation of the new arrangements under Commission Regulation (EC) No 607/2009. Monitoring and compliance will also be key aspects, particularly to ensure full WTO-consistency of new measures.

1.4 Australia welcomes the amendments to Annex XV which confirm Australian winemakers' access to the listed grape varieties.

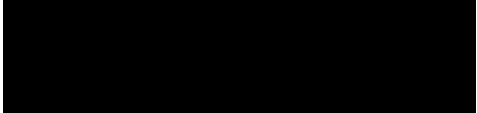
**2. Comments on Specific Aspects of the Regulation**

2.1 The notification offers no explanation for the changes made to Community Regulation (EC) No 607/2009 between the version first published in the Official Journal on 16 November 2009 ahead of the Wine Management Committee meeting which took place in December 2009, and the version published in this notification. The former had Montepulciano listed in Appendix XV Part B and in the latter Montepulciano has been moved from Part B to part A of said Annex.

2.2 The only explanation offered is that Montepulciano was erroneously mentioned in Part B of Annex XV. Australia would appreciate an adequate explanation for this change.

2.3 Similarly the removal of grape varieties "Verdejo" and "Verdelho" from the list is made without explanation.

2.4 Australia believes the changes governing the use of the grape variety "Prosecco" which is now referred to as "Glera" [to avoid possible confusion between the Geographical Indication and grape variety that share the name



"Prosecco"] are contrary to Article 2.1 and Article 2.2 of the WTO Agreement on Technical Barriers to Trade. This change of name for the grape variety "Prosecco" in effect removes access to this grape variety (and style of wine) which is used by a number of winemakers throughout the world.

2.5 The changes referred to above under 2.2 to 2.4 raise serious doubts as to continued usage by Australian winemakers of grape variety names given the precedent these changes could set.

2.6 Australia wishes to offer the following editorial comments on the text of the revised version of Commission Regulation (EC) No 607/2009 which was attached to this notification:

- on page 55, in the footnote under (2), reference is made to "Astralia" which we assume should read "Australia";
- the revised version of this Regulation, even though the notification refers to Annex XVII, ends at Annex XV.

## COMMISSION REGULATION (EC) No 1166/2009

of 30 November 2009

amending and correcting Commission Regulation (EC) No 606/2009 laying down certain detailed rules for implementing Council Regulation (EC) No 479/2008 as regards the categories of grapevine products, oenological practices and the applicable restrictions

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1234/2007 of 22 October 2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation) <sup>(1)</sup>, and in particular Article 113d(2) and the third and fourth subparagraphs of Article 121 thereof,

Whereas:

(1) The protected designations of origin 'Prosecco di Conegliano Valdobbiadene' and 'Montello e Colli Asolani' are referred to in Commission Regulation (EC) No 606/2009 <sup>(2)</sup>. These designations were replaced by the protected designations of origin 'Prosecco', 'Conegliano Valdobbiadene — Prosecco', 'Colli Asolani — Prosecco' and 'Asolo — Prosecco' following the Italian Decree of 17 July 2009 published in the Italian official gazette, *Gazzetta Ufficiale della Repubblica italiana* No 173 of 28 July 2009.

(2) In that Decree, the vine variety 'Prosecco' is now renamed 'Glera'. To prevent confusion between the name of the protected designation of origin 'Prosecco' and the name of the vine variety, the term 'Prosecco' should be replaced by 'Glera' when it refers to the vine variety in Regulation (EC) No 606/2009.

(3) The Italian authorities have officially indicated that the 'Prosecco/Glera' variety may not be cultivated in the Trentino-Alto Adige region; consequently Regulation (EC) No 606/2009 should no longer refer to that region as one where that variety may be produced.

(4) There is a typographical error in Annex IA, Appendix 7, to Regulation (EC) No 606/2009 in the requirements for electrolysis treatment. The units for the maximum limit in the simulator should be expressed in µg/l and not in g/l.

(5) Regulation (EC) No 606/2009 should be amended and corrected accordingly.

(6) Regulation (EC) No 606/2009 became applicable on 1 August 2009. To make it consistent with the Italian national legislation and to guarantee identical oenological practices for the 2009 harvests, these amendments and corrections must be applied retroactively as of 1 August 2009.

(7) The measures provided for in this Regulation are in accordance with the opinion of the Regulatory Committee established by Article 195(3) of Regulation (EC) No 1234/2007,

HAS ADOPTED THIS REGULATION:

## Article 1

## Amendment of Regulation (EC) No 606/2009

Annex II to Regulation (EC) No 606/2009 is amended as follows:

1. in part B, paragraph 4(a), the second sentence is replaced by the following:

However, quality aromatic sparkling wine may be produced in the traditional way by using, as constituents of the cuvée, wines obtained from grapes of the "Glera" variety harvested in the regions of Veneto and Friuli-Venezia Giulia;

2. part C is amended as follows:

(a) paragraph 2 is replaced by the following:

2. However, the cuvées intended for the preparation of quality sparkling wines with the protected designations of origin "Prosecco", "Conegliano Valdobbiadene — Prosecco" and "Colli Asolani — Prosecco" or "Asolo — Prosecco" and prepared from a single vine variety may have a total alcoholic strength by volume of not less than 8,5 % vol.;

<sup>(1)</sup> OJ L 299, 16.11.2007, p. 1.

<sup>(2)</sup> OJ L 193, 24.7.2009, p. 1.

- (b) in paragraph 9(a) the second sentence is replaced by the following:

'By derogation, a quality aromatic sparkling wine with a protected designation of origin may be produced by using, as constituents of the cuvée, wines obtained from grapes of the "Glera" vine variety harvested in the regions of the designations of origin "Prosecco", "Conegliano-Valdobbiadene — Prosecco", "Colli Asolani — Prosecco" and "Asolo — Prosecco";

3. in Appendix 1, the term 'Glera' is inserted after the term 'Girò N' and the term 'Prosecco' is deleted.

#### Article 2

#### Correction of Regulation (EC) No 606/2009

In Annex IA to Regulation (EC) No 606/2009, Appendix 7, point 1.4, sixth subparagraph, the third sentence is replaced by the following:

'The content in the simulant of all the determined compounds must be less than 50 µg/l.'

#### Article 3

#### Entry into force and application

This Regulation shall enter into force on the day following its publication in the *Official Journal of the European Union*.

It shall apply from 1 August 2009.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 30 November 2009.

For the Commission

Mariann FISCHER BOEL

Member of the Commission

**WINE AUSTRALIA CORPORATION ACT 1980****DECISION OF A DEPUTY REGISTRAR OF TRADE MARKS WITH  
REASONS**

Re: Objection by the Winemakers' Federation of Australia, pursuant to regulation 58(5) of the *Wine Australia Corporation Act 1980*, to an application by the European Commission for protection in Australia of the Italian geographical indication Prosecco.

---

<b>DEPUTY REGISTRAR:</b>	<b>Michael Arblaster</b>
<b>REPRESENTATION:</b>	<b>Objector:</b> Luke Merrick of Counsel instructed by James Omond, Omond & Co and Tony Battaglene, Winemakers' Federation of Australia. <b>Applicant:</b> Christian Dimitriadis of Counsel instructed by Justin Senescall, Truman Hoyle Lawyers
<b>DECISION:</b>	<b>2013 ATMOGI 1</b> <b>Regulation 58(5)(b):</b> The ground has been made out - The word Prosecco found to have been used in Australia as the name of a grape variety. Declined to exercise the discretion to recommend that the term be determined despite the ground being made out. The term may not be determined without permission of the WFA. Regulation 71 provides that the Registrar is not entitled to make an award of costs.

---

**Introduction**

1. The *Wine Australia Corporation Act 1980* ('the Act') and its Regulations ('the Regulations') set out the process for protection of a foreign geographical indication ('GI') in Australia. By virtue of Italy's membership of the European Union, and an *Agreement between Australia and the European Community on Trade in Wine* ('the Agreement'), Italy is an 'Agreement Country' for the purposes of the Act. On 1 April 2010, by letter, the European Commission ('EC') requested *inter alia* that the term Prosecco be listed on the Register of Protected Geographical Indications and Other Terms<sup>1</sup> ('the Register') as a GI for Italy.
2. On 15 March 2012 notice of the application was given under reg 57 of the Act inviting persons to make written objection to the Registrar of Trade Marks. On 3 April 2012 an objection was received from the Winemakers' Federation of Australia ('WFA'). Although the notice of objection cited all of reg 58(5) the only

---

<sup>1</sup> The register is kept under S40ZC of the Act.

particulars raised in the notice referred to the claim that Prosecco is the name of a variety of grapes and has been used in Australia in this way for many years.<sup>2</sup>

3. After the evidence stages had been completed the EC requested a hearing and the matter was set down before me in Canberra on 2 September 2013. Shortly before the hearing the EC requested that that date be vacated in order to allow counsel the opportunity to file a request for further evidence. I directed that the hearing should proceed on that date, on the basis of the material already lodged, but agreed to adjourn for two weeks rather than close the hearing in order to allow a request for new evidence to be made. In the event, on 13 September 2013 the EC indicated that it would not be making an application to file new evidence.

### **International context**

4. It will be useful at this point to set out in some detail the context provided by the Agreement which entered into force on 1 March 1994. Each party undertook to protect a number of GIs listed in the Annex to the Agreement ('the Annex') and agreed to continue negotiating on a number of unresolved issues.
5. Following the conclusion of those negotiations a new Agreement, replacing the old, came into force on 1 September 2010<sup>3</sup>. The second Agreement which is still in force closely reflects provisions of the Agreement on Trade-Related Aspects of Intellectual Property Rights ('TRIPS'), one of the World Trade Organisation treaties to which both the EC and Australia are signatories.<sup>4</sup> Relevantly, the Agreement:
  - a. Incorporates the definition of a GI from TRIPS Article 22. A GI is an indication which identifies a good as originating in a place where some *"quality, reputation or other characteristic of the good is essentially attributable to its geographical origin"*.
  - b. Provides a mechanism for parties to seek protection for additional terms<sup>5</sup> and
  - c. Includes a provision governing the use of the names of vine varieties. Article 22 of the Agreement provides that

<sup>2</sup> On 13 April 2012 a second objection was received from Mr J Clawson, JBC International, on "behalf of the US wine industry". That objection was based upon Prosecco being a "common varietal name", but did not proceed.

<sup>3</sup> The text of the revised Agreement was settled on 1 December 2008 but came into force only after the implementing statute was enacted.

<sup>4</sup> As at the date of this decision, the internet address at which TRIPS may be accessed is [http://www.dfat.gov.au/ip/downloads/trips\\_text.pdf](http://www.dfat.gov.au/ip/downloads/trips_text.pdf)

<sup>5</sup> Article 30, the mechanism through which the present application was made.

*“Each Contracting Party agrees to allow in its territory the use by the other Contracting Party of the names of one or more vine varieties, or, where applicable, their synonyms, to describe and present a wine”. Relevantly, the name or synonym must appear in one of the international classification systems such as that provided by the International Organisation of the Vine and Wine (‘OIV’), and use of the name must not be misleading.*

### **The Wine Australia Corporation Act**

6. The Australian Wine and Brandy Corporation Act (as it then was) and the Regulations were amended to reflect the revised Agreement.
7. Section 3 of the Act sets out the objects of the Act and expressly provides that the Act *“shall be construed and administered”* according to these objects. Section 3(1)(e) indicates that one of the objects is:

*to enable Australia to fulfill its obligations under prescribed wine-trading agreements and other international agreements.*

8. Section 4 provides that:

***geographical indication***, in relation to wine goods, means an indication that identifies the goods as originating in a country, or in a region or locality in that country, where a given quality, reputation or other characteristic of the goods is essentially attributable to their geographical origin.

9. The Act relevantly protects registered GIs against false and misleading use.<sup>6</sup> Division 4B of Part VIB of the Act sets out the framework through which foreign GIs may be entered on the Register. Section 40ZAQ stipulates that the Regulations may provide for a process through which objections to the determination of a foreign GI may be made to the Registrar of Trade Marks.
10. The provisions of Part 6A of the Regulations set out this process and relevantly in reg 58(5) provide that:

- Common use*
- (5) *A person may object to the determination of a proposed item on the ground that the proposed item is used in Australia:*
    - (a) *as the common name of a type or style of wine; or*
    - (b) *as the name of a variety of grapes.*

<sup>6</sup> Subdivisions B & C of Division 2 of Part VIB (Ss 40C to 40FB) set out the scope and limits of protection for registered terms.



11. The Explanatory Statement introducing this regulation simply refers to 5(a) without explanation and makes no reference to 5(b).

### The evidence

12. The Regulations provide for both parties to simultaneously file evidence in relation to the matter (reg 62) and then to simultaneously provide evidence in answer (reg 63).
13. The WFA filed and served evidence in support of its objection on 14 December 2012. The material evidences:
- That the term Prosecco was referred to as the name of a grape variety in the original (1994) Wine Agreement.<sup>7</sup>
  - The activities of Dal Zotto and Brown Brothers to plant, produce and market wine made from Prosecco grapes and identified accordingly on the label.
  - The import and subsequent availability of Prosecco plant material in Australia from 1997.
  - Commercial quantities of wine made from Prosecco grapes being available in Australia from 2004.
  - The establishment of a regional tourism route, the 'Road to Prosecco', in King Valley, Victoria.
  - Exports of wine made from Prosecco grapes to New Zealand, China, Hong Kong and Indonesia.
  - Use of Prosecco as the name of a grape variety internationally, including in Europe until 2009.
14. The annexes to this submission include
- Dated copies of labels from four Australian producers.<sup>8</sup>
  - A research paper dated 2009 about viticultural and oenological aspects of producing wine from Prosecco grapes in Australia.
  - Catalogues from nurseries listing and describing the characteristics of the grape variety Prosecco.
  - The '*International list of vine varieties and their synonyms*' produced by the OIV which lists Prosecco as the name of a grape variety for use in Australia<sup>9</sup>.
  - Excerpts from the reference book '*Wine grapes*' with a chapter describing the history of use, production and DNA of the grape variety Prosecco.
  - An excerpt from EC Regulation No 1166/2009 of 30 November 2009 which provides *inter alia* that in the European Union the "vine variety

<sup>7</sup> These references (such as "*Montello c Colli Asolani – accompanied by one of the following grape varieties .... Prosecco*") have been replaced simply by reference to the GI and this now reads "*Montello c Colli Asolani*".

<sup>8</sup> Dal Zotto, Brown Bros, Pizzini and Sam Miranda. It is also undisputed that there are at least 11 Australian producers of wine made from Prosecco grapes.

<sup>9</sup> And for other countries including at least Argentina, Bulgaria, Croatia and Slovenia.

*'Prosecco' is now renamed 'Glera'*". This follows a decree in Italy dated 17 July 2009 with the same effect.<sup>10</sup>

15. In response, the EC filed and served evidence in answer on 15 March 2013. The EC's material evidences that:

- a. The name Prosecco is associated with a wine product originating from a delimited area in Italy.

16. The EC submitted that:

- a. The *"majority of consumers worldwide consider Prosecco to have a geographical rather than varietal connotation"*.<sup>11</sup>
- b. The marketing of wine made from Prosecco grapes in Australia carries evocation of Italian language and culture and references to the Italian origin of both the grape and the style.

17. The EC's annexures include:

- a. References and links to online wine retailers in Australia referring not only to the variety but also evoking its Italian origin and heritage.
- b. Excerpts from the sites of Australian wine producers, with labels and descriptions referring to Prosecco as both a style and variety with references to its origins in Italy.

### **The submissions**

18. The WFA clarified that, although it had objected broadly under reg 58, its objection was based on the claim (outlined in the notice of objection) that Prosecco was the name of a grape variety (reg 58(5)(b)) and not on the basis that Prosecco was the common name of a style of wine. It submitted that:

- a. Prosecco is recognised internationally as the name of a variety of grapes and has been used in association with the sale of wine in Australia since at least the mid-1990s.
- b. Regulation 20 provides that the names of grape varieties to be used in Australia are those recognized by the OIV (the 2012 edition of which lists Prosecco as a grape variety for Australia)<sup>12</sup>.
- c. The 1994 Wine Agreement expressly referred to Prosecco as a vine variety.

19. The EC submitted that *"the evidence shows that the name Prosecco has retained its longstanding character as a geographical indication for wine products from the Prosecco region in north eastern Italy"* and that the use in Australia, which is fairly recent, reinforces that geographical connotation.

<sup>10</sup> See *Gazzetta Ufficiale della Repubblica Italiana*, No 173, 28 July 2009.

<sup>11</sup> This claim appears to be supported by generalised figures on the volume of sales, including export sales, rather than survey evidence or expert opinion about the significance of the term in the market place either internationally or more specifically in Australia.

<sup>12</sup> I note that the EC have made no suggestion that this is a recent insertion.

20. It further submitted that the construction of reg 58(5) makes it clear that “*what is contemplated (as a basis for objection) is the use of a name ... independently of its significance as a geographical indication*”. Thus according to the EC what must be shown is that “*the name in question is used in Australia as the .... name of a variety of grapes, in a way that does not involve reliance on any geographical connotation*”.
21. As to use, the EC submitted that *de minimis* use would not be sufficient to establish the ground and that such use must rise to the level of common use. They argued that this construction was supported by the heading to the regulation which reads ‘*Common use*’, the provision of reg 58(5)(a) relating to terms which are “commonly used as the name of a style of wine”, and by reference to rest of reg 58 which provides for objections on the basis of trade mark rights in the term.
22. The EC further submitted that any use relied on to support a ground under reg 58(5)(b) must also be lawful. That is, it must not fall foul of the false or misleading conduct provisions of either the *Australian Consumer Law*<sup>13</sup> or the Act<sup>14</sup>. Moreover, it must also be in relation to the presentation and description of wine. These it claims are consistent with the objects of the Act and the policy underlying reg 58.

## Reasons

23. It is not a point of contention between the parties that the onus is on the WFA as the objector to establish the grounds and that the standard of proof must be the balance of probabilities.
24. The Regulations are silent about the date from which the ground is to be assessed and about both the period and the extent of use of a proposed term that would be sufficient to establish the ground.
25. The parties have agreed that the date from which to assess the ground appears to be the date that the application for entry on the Register was made. This is appropriate because any later date would disadvantage an applicant by allowing an objector to

---

<sup>13</sup> S 18(1) & s 29(1)(k).

<sup>14</sup> S 40D.

commence use of a term after the applicant's intention had become known, and the application had been made, and then to rely on such use as a basis for the objection. Similarly, there is nothing in the Act or Regulations that would suggest an earlier date. The relevant date is therefore 1 April 2010 and to establish the ground the objector must satisfy me that there was relevant use before this date.<sup>15</sup>

26. It is clear from the evidence that there have been imports of Italian Prosecco to Australia for some time and that there are also some references to Prosecco as a style of wine which, at least originally, derives from Italy and is made from the Prosecco grape. The EC argues that much, if not all, of the use in evidence references the Italian language, the Italian origins of the grape variety and style, and evokes Italian culture and tradition. In this context, I agree that in order for a term to become "*the common (or ordinary) name of a style of wine*" it must be broadly understood in that way. Where there is another meaning to overcome (such as the geographical significance of a GI) the evidence of use would need to show that it has done this. In this situation there would need to be more than *de minimis* use and the evidence would need to show that the significance of the term, in Australia, is as a generic descriptor independent of its geographical or GI significance. However, in the present case, although the EC have argued for the GI significance of Prosecco in Australia, the evidence is mixed and I do not need to resolve the question because the WFA have not objected on the basis that Prosecco signifies a generic product or is the "common name of a style" of wine.<sup>16</sup> Their objection is limited to reg 58(5)(b), that Prosecco has been used in Australia as the name of a variety of grapes.

27. The EC raised 'policy' as one perspective for understanding reg 58(5)(b). The regulation is one of the objection provisions which provide an opportunity for interested parties to prevent the determination of monopolistic 'rights'.<sup>17</sup> This protection, if granted, would have the effect of preventing those interested parties

---

<sup>15</sup> Substantial use after this date is not necessarily irrelevant as later events may cast light on the state of the market at the relevant date. See for example *Conde Nast Publications Pty Ltd v Taylor (1998)* 41 IPR 505 at 509.

<sup>16</sup> For the sake of clarity I have made no finding about whether Prosecco is a generic term or common for a style of wine in Australia.

<sup>17</sup> Although the Act does not expressly confer the owners of protected terms with property rights, geographical indications (as distinct from traditional expressions and other related terms) are recognised internationally as a form of intellectual property and the effect of protection under the Act is to reserve terms for a particular class or group of producers, as against any others.

from using a term they would otherwise be reasonably entitled, and indeed may need, to use. For an objection based on reg 58(4), establishing a claim to ownership of a trade mark that may otherwise be a descriptive or geographic term will understandably require significant use. However, the WFA is making no claim to ownership but rather a claim to be allowed to use a term that is commonly available. In this situation, there is no secondary meaning or significance to be established beyond the fact that the name has been used to describe a variety of grapes. To the extent that the heading '*Common use*' applies to reg 58(5)(b) there is no more reason to read this as 'widespread', as the EC would have it, than 'ordinary'. In any case, unlike reg 58(5)(a) which does make reference to "*the common name of*", reg 58(5)(b) requires use "*as the name of a variety of grapes*". I see no compelling reason to insert language into the regulation which is not present.

28. For the purposes of reg 58(5)(b) it is therefore enough that the WFA establishes use where on its face the clear meaning of the term is as a variety of grapes. Similarly, for reasons identified above very little use will be sufficient to satisfy this requirement. Moreover although the EC have argued in, oral submission, that to be relevant for this purpose use must only be that in relation to the marketing and sale of wine, I am satisfied for reasons outlined below that other use may also be relevant.
29. In the present case it is clear that a number of nurseries and horticultural suppliers use the name Prosecco as the name of grape varieties for sale. That they provide further information about its historical and genetic origin adds little to the key point at issue - the name of the plant variety for sale from these suppliers is Prosecco.
30. The first imports of Prosecco vines in evidence date back to at least 1997 and the first commercial quantities of wines made from Prosecco grapes and labeled accordingly were produced in Australia in 2004. Throughout this period Prosecco was described as a variety in the extant Agreement. It was also officially accepted as the name of a variety of grape by European regulation and within Italy. This situation continued until at least 2009.

31. Vignerons purchasing this variety, planting a vineyard, cultivating and eventually making and selling wine will have a need to use the term Prosecco in “*the presentation and description*”<sup>18</sup> of their wine. This is especially the case as the OIV, prescribed by reg 20 as one of the organisations that must recognize the name (or synonym), lists Prosecco but none of its overseas synonyms. The effect of this appears to be that, for Australian producers of wine made from these grapes, Prosecco is the only variety name that can be used on a label in Australia.<sup>19</sup>
32. The number of vineyards in Australia growing Prosecco, and the total area under cultivation, are both very small. Nonetheless, even if there had been no production and therefore no use of the variety name in the description and presentation of wine there has been significant activity (at least for these growers) in planting and cultivating vines and in planning to produce wine from this grape variety. Moreover the Australian wine industry relies significantly on marketing wine by grape variety. Against this context, I am satisfied that the use in evidence by nurseries, in industry magazines and in statute regulating the sale and marketing of wine is sufficient to establish that the ground has been made out. The term Prosecco has been used in Australia as the name of a grape variety.
33. If I am wrong, and use as the name of a variety of grapes must be in relation to the description and presentation of wine then I am also satisfied that this has occurred for the reasons which follow.
34. In response to the WFA’s evidence the EC has conceded that “*commercial quantities of Australian wine labeled with "Prosecco" are available in Australia since 2004*”<sup>20</sup> (sic). However the EC argues that, worldwide, the overwhelming production, in terms of both time and volume, has been from the “*PDO Prosecco*”. They further argue that much of the use in evidence, particularly in promotional material, makes reference to Italian language and culture and sometimes carries direct reference to the Italian GI, and could therefore be considered misleading.

<sup>18</sup> It is exactly this use which determination of the GI would prevent.

<sup>19</sup> The Regulations also allow the use of names associated with new varieties accepted by the International Union for the Protection of New Varieties (UPOV) and the International Plant Genetic Resources Institute. Although Bella Glera and Briska Glera are shown on the UPOV database they have expired and are not available. Glera as a proposed German name for a cannabis variety has a similar status.

<sup>20</sup> Paragraph 2, page 2 of the EC evidence in answer.

35. I am not satisfied that any of the use in evidence is in fact misleading in terms of the Australia Consumer Law. It clearly references that the wine is made in Australia (a requirement of the labeling regulations), makes references to the Australian GI King Valley as the place where the grapes are grown and clearly identifies the name of the grape variety as being Prosecco. Cultural and other similar references must be seen in the context of Australia as a migrant community where references to the rich tapestry of history and tradition of our forbears are commonplace. Moreover, Australian wine consumers typically buy their wine according to grape variety rather than regional origin, to the point where this is the most common way of organising wine in liquor stores. Against this context the evidence of misleading use would need to be considerable and the EC has done nothing more than show that some promotional material has made reference to the origin of the grape and of the style.

36. It is not under contention that Wine Australia's database records five exporters shipping to New Zealand, China, Hong Kong and Indonesia in the 12 months to June 2012. I have not considered this as establishing use. The dates are outside the relevant period, there is no information about the volume or value of these exports and no information about the presentation of the wines and whether they carry the description of the grape variety Prosecco. Nevertheless, for the sake of completeness and because an issue has arisen about what constitutes use in Australia I consider that, because the Act governs the description and presentation of wine for export, if properly particularised, such use could be used to support a ground of objection under reg 58(5)(b).

37. Finally, there are at least two labels in evidence, one from 2006 and one from 2008, where Prosecco is clearly presented as a grape variety. In each of these (Dal Zotto and Brown Brothers) the house brand is prominently displayed together with the vintage. In both, King Valley is shown clearly as the geographical origin of the wine and, in both, Prosecco is displayed in the position where these brand holders typically represent the grape variety. In both cases, the back labels make express reference to the name of the grape variety being Prosecco.<sup>21</sup>

---

<sup>21</sup> There are other labels in evidence which I would also be inclined to accept.

38. Although I have no evidence of the volume or value of sales I am satisfied that this constitutes use for the purpose of reg 58(5)(b).

### Discretion

39. The EC have requested that if I should find that the ground has been made out, as I have done, that I should nonetheless exercise my discretion under reg 68:

(1) If:

- a. the Registrar of Trade Marks decides that the ground of objection is made out; and
- b. the Registrar of Trade Marks is satisfied that it is reasonable in the circumstances to recommend to the Geographical Indications Committee that the proposed item be determined despite the objection having been made out; the Registrar of Trade Marks may make that recommendation to the Committee in writing.

40. In considering whether it is reasonable to make such a recommendation the Registrar “*must have regard to Australia's international obligations*”<sup>22</sup>. TRIPS provides that member states must provide legal means for interested parties to protect GIs. However, it also provides exceptions<sup>23</sup> to this obligation. Relevantly the obligation does not extend to situations where the term in question is generic for the product in a jurisdiction or where the term is the customary name of a grape variety in a jurisdiction<sup>24</sup>.

41. These exceptions are reflected in the Agreement and although recourse to these provisions is at the discretion of Member States, as we have seen in paragraph 5 above, the Agreement expressly provides that the EC and Australia will allow use of the name of grape varieties under specified conditions<sup>25, 26</sup>. Indeed, Prosecco was

---

<sup>22</sup> Reg 68(2)

<sup>23</sup> Article 24(6)

<sup>24</sup> There are related provisions dealing with prior trade mark rights but the *Final reports (2006) of the Panel from the WTO DSB Panel Proceedings WT/DS174 - 21 December 2004*, in a dispute between Australia and the USA on one hand and the EC on the other, made it clear that the obligation to protect pre-existing trade mark rights (including from GIs) arises out of Article 17 of TRIPS and nothing in Part II Section 3 (dealing with GIs) diminishes this obligation.

<sup>25</sup> I have already dealt with both conditions – the name Prosecco is recognised by the OIV and I am not satisfied that use as a grape variety will necessarily be misleading nor that it has been in the evidence of use before me.

<sup>26</sup> It is of course possible for parties to waive this right, as Australia has done in relation to the grape variety Lambrusco, and Tokay previously the Australian synonym for the Muscadelle grape. Similarly, The European Court of Justice has for instance given significance to the fact that in its agreement with Hungary the EC expressly waived its right to an Article 24(6) exception in relation to the Hungarian grape variety Tokay. Case C-347/03 *Regione autonoma Friuli-Venezia Giulia and ERSA* [2005] ECR I-3785.



at least available for use as a grape variety name in Italy until 2009 and until 2010 the Agreement expressly referred to Prosecco as a grape variety. It is precisely because there is no obligation under the Agreement to protect Prosecco that this application has been made.

42. The EC further argues that the significant international distribution and reputation of Prosecco and the evocation of that reputation in much of the promotional literature also argues for exercise of the discretion. However, the EC tendered no evidence to show that the term Prosecco carried GI signification beyond it being a wine produced from a grape which had its origin in Italy. Given that the EC itself points to “*several centuries*” of wine produced from grapes called Prosecco (which name continued until four years ago) it remains unclear, in the absence of evidence, whether Prosecco denotes a grape variety, a style or carries the GI significance. This lack of clarity is reinforced by the number of countries for which Prosecco is listed as a variety by the OIV. It is also reinforced by several publications in evidence commenting on the international status of Prosecco and suggesting at least some confusion about whether Prosecco is a style of wine, a GI or a grape variety and concluding that it can be all three. Finally, in evidence is an excerpt from a leading text on grape varieties, dated 2012, which describes the history and DNA profile of the Prosecco grape and makes reference to it being “*misleadingly renamed Glera*”.<sup>27</sup> I do not need to accept that the change was misleading, nor to consider any possible motivation for it, to conclude that at the very least the signification or denotation associated with Prosecco is murky.

43. What is clear is that Italy and the European Union changed their regulatory regime in 2009 and that while Prosecco was available for use in Europe as the name of a plant variety up until that time, it no longer is. Similarly, the Annex to the new Agreement which came into force in 2010 removed reference to Prosecco as a grape variety associated with Italian GIs. It is now silent. Moreover, since 1994 when the first Agreement came into force, Prosecco has been available for use in Australia, and much of the rest of the world, as the name of the variety. Indeed for most of that time it has been the approved name in Australia, a situation which still exists.

---

<sup>27</sup> Robinson, J. Harding J, Vouillamoz, J; *Wine Grapes: A Complete Guide To 1,368 Vine Varieties, Including Their Origins and Flavours*, Ecco; Harper Publishing pp 1244.

44. Another argument put by the EC for exercise of the discretion suggests that the issues are more appropriately dealt with by the Geographical Indications Committee ('GIC') of the Wine Australia Corporation rather than the Registrar because the GIC has the necessary expertise. I do not agree with this suggestion. First of all, I agree that the GIC does have specialist expertise in assessing geographic (and related human) factors which contribute to the consistency of quality, reputation or other characteristics of wine from a region. However, neither those factors nor the boundary is in question here. What is at issue is the significance of a term in Australia and in particular what it connotes or denotes. These are precisely the areas in which the Registrar does have expertise. Secondly, in Divisions 2 & 3 of Part 6A of the Regulations Parliament has expressly given that assessment to the Registrar. Ultimately, I must decide whether it would be reasonable for the GI to be determined in light of the circumstances in evidence before me.

45. If Prosecco was entered onto the Register as a GI the effect would be to prevent Australian producers from continuing to use it as the name of a grape variety. Forestalling such an outcome appears to be precisely the purpose of the statute. There are no other circumstances before me which would mitigate this conclusion. Indeed vines have been imported into Australia, planted and cultivated, and wine has been made, promoted and sold at a time when the name was not only available for use but prescribed by statute as the only available name. Moreover, for the most part, this activity and the business plans behind it took place when the name was available and in use as a variety name, not only elsewhere in the world but specifically in Italy and Europe.

46. Regulation 86 stipulates when the GIC may determine a GI. It may not do so until an objection has been resolved (reg 86(2)(a)) and subject to the outcome of any appeal process (reg 86(3)). Once a ground has been made out, it may only do so if one of the following circumstances exists (reg 86(2)(b)):

- a. The objector agrees to the determination being made; (reg 86(4)) or
- b. The Registrar exercises her discretion under reg 68 to recommend that it be determined despite the ground being made out; (reg 86(5)) or
- c. The Registrar subsequently decides, pursuant to reg 80, that the ground no longer exists (reg 86(6)).

47. Thus the effect of finding that the ground has been made out and refusing to exercise the discretion is that the GI may not be determined by the GIC, or entered onto the Register, without the express permission of the objector.

48. For the sake of clarity I should emphasise that allowing the objection should not be interpreted as giving *carte blanche* to Australian producers to promote their product, based on the grape variety Prosecco, in a way which would mislead consumers about the origin of their wine. They are still subject to the strictures of the Australian Consumer Law governing misleading and deceptive conduct.

### **Decision**

49. For reasons outlined above, I:

- a. find that there has been use of the term Prosecco as the name of a grape variety in Australia, which predates the date of application and
- b. decline to exercise the discretion available to me under r68.

50. An appeal to this decision may be made to the Federal Court under section 40RF of the Act.

Michael Arblaster  
Deputy Registrar of Trade Marks  
22 November 2013

# King Valley Prosecco Road

## Australia's home of Prosecco

Here we pioneered Australian Prosecco, and here we share the joy of it, with friends, family, food and wine.



## King Valley Prosecco Road Experiences

King Valley Prosecco Road lies before you, offering dining destinations, fun and informative wine tastings, an opportunity to get active in a unique natural setting, and accomodation with extra heart.

Explore the range of King Valley Prosecco Road experiences and plan your next girls getaway, boys weekend or romantic escape.







Andiamo amici!

[SEE MORE](#)



Pedal to Prosecco

[SEE MORE](#)

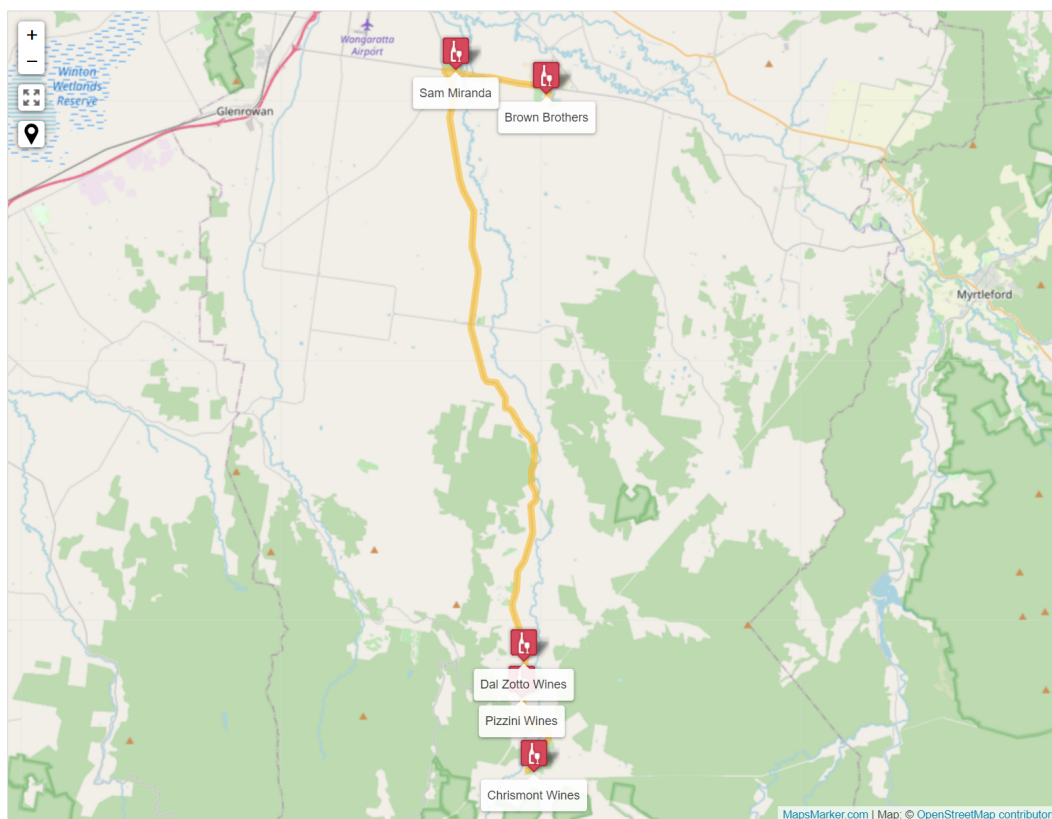


Pop & Fizz Prosecco Pairing Class

[SEE MORE](#)



## King Valley Prosecco Road Hero's



# Read more about King Valley Prosecco



## Create your own path

Prosecco is renowned in Italy as the drink for every occasion – fresh, uncomplicated, even joyful sparkling wine. In my circle of friends, it is called upon when we have...

[READ MORE](#)



## Prosecco

King Valley Prosecco is bubbling to the top. Pioneered in Australia by the winemaking families of the king valley, prosecco is a delicious sparkling wine that hails from the Veneto...

[READ MORE](#)



## Tasting the sweet life

'I'd love to say I'm here to improve my wine knowledge, but really, I just want to over-indulge in good food, and spend lazy mornings in bed and afternoons drinking...

[READ MORE](#)



## Getting here

### Driving

The Hume Freeway, the Maroondah and Midland Highways, and the Great Alpine Road feed into the region – the journey from Melbourne is a comfortable 3 hours, or 4 hours from Canberra. All roads leading to the region are sealed, and offer spectacular views.

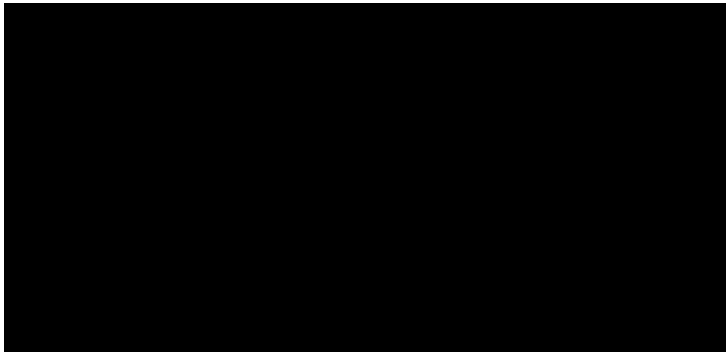
### Flying

Albury Airport facilitates daily flights between Melbourne, Canberra, Sydney and Brisbane, operated by Qantas Link, REX, Virgin Airlines and JETGO. All major rental car agencies are based at the airport. Wangaratta railway station is on the main Sydney-Melbourne rail link.

### Staying

For details of accommodation in the area, visit [www.visitkingvalley.com.au](http://www.visitkingvalley.com.au) or contact Wangaratta Visitor Information Centre on FREECALL 1800 801 065.





6 October 2022



**Use of name CRYSTAL by [REDACTED] to  
designate sparkling wine  
Our Ref: G134716**

We act for Champagne Louis Roederer (CLR).

Our client is the owner of the following Trade Mark Registrations in Australia:

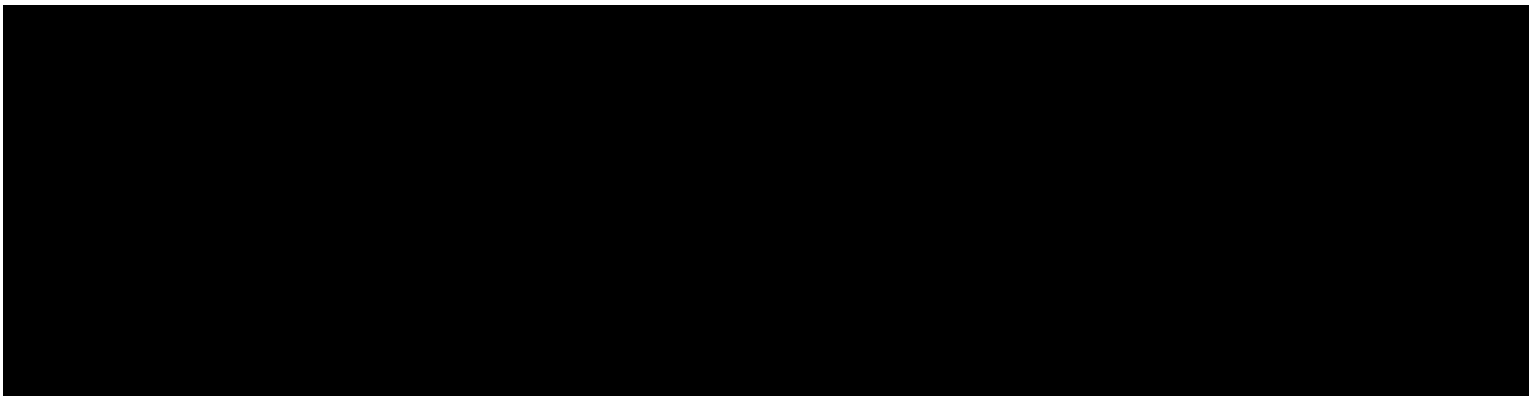
- Australian Trade Mark No 384160 for CRISTAL
- Australian Trade Mark No. 384167 for CRISTAL Label

A copy of each of the trade mark details is **attached** ("the Trade Marks").

As you will be aware, CRISTAL champagne is one of the most sought-after champagnes in the world. Our client has been using, promoting and advertising the Trade Marks widely and for an extensive period of time in Australia and elsewhere in the world and has, therefore, established a substantial reputation in the Trade Marks for champagne.

As a result of our client's extensive use of the Trade Marks and of the word CRISTAL, consumers associate the trade mark CRISTAL with our client and its products.

It has come to our client's attention that your company has been advertising, promoting, offering for sale and selling sparkling wine ("the Infringing Goods") under the name CRYSTAL



("the Infringing Mark"), including via your company's website at, [REDACTED] ("the Website").

Your company is also using the Trade Marks on social media including when advertising your products on Facebook.

Our client has not given you permission to use the name CRYSTAL on and in relation to sparkling wines.

Given our client's ownership of the Trade Marks and its reputation and legal rights arising out of the Trade Marks in Australia, our client is concerned that the use of CRYSTAL by your company on and in relation to sparkling wines and on social media will lead to deception or confusion.

The details of the infringements of our client's rights and the relief to which our client is entitled are set out below.

### **Trade Mark Infringement**

Under section 20 of the Trade Marks Act 1995 ("TMA") the registered proprietor of a trade mark, has the exclusive right to use the trade mark and to authorise others to use the trade mark in respect of the goods or services, the subject of the trade mark registration.

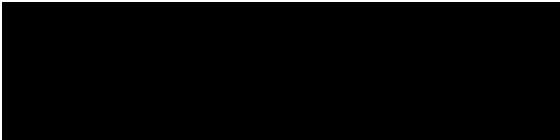
As set out above, our client is the registered owner of the Trade Marks. The use by your company of a substantially identical or deceptively similar sign to the Trade Marks when used as described above, constitutes an infringement of the Trade Marks.

### **Contravention of the *Australian Consumer Law* and Passing off**

In view of our client's reputation in the trade mark CRISTAL and in the Trade Marks, your unauthorised use of the name CRYSTAL constitutes representations that:

- (a) the Infringing Goods are those of our client or are provided by our client or its authorised or affiliated agents;
- (b) the Infringing Goods have the licence or approval of our client;





(c) your company has the authority of our client to use the Infringing Mark;

(d) your company is an authorised and affiliated agent of our client.

Clearly such misrepresentations are misleading and deceptive.

Section 18 of Schedule 2 of the Australian Consumer Law provides that::

*"A person must not, in trade or commerce, engage in conduct that is misleading or deceptive or is likely to mislead or deceive."*

Section 29 of Schedule 2 of the Australian Consumer Law provides specific examples of conduct that is misleading and deceptive, including falsely representing that goods are of a particular standard, quality, value or grade or that goods or a person have sponsorship approval or an affiliation with another, such as our client.

Accordingly, the representations set out above have been made by your company by the use of the Trade Marks and have been made in contravention of section 18 and certain parts of section 29 of the Australian Consumer Law.

Further, by using the name CRYSTAL, our client asserts that your company may be seeking to benefit from the goodwill of our client and in doing so passing off the Infringing Goods as those of our client or as approved by our client.

### **Our client's demands**

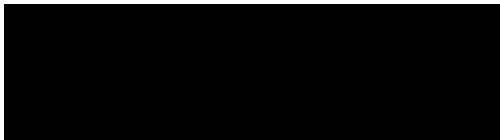
Your company's disregard of our client's rights under each of the causes of action referred to above, entitles our client to seek damages, or alternatively an account of profits, against your company.

It also entitles our client to seek urgent interlocutory relief to stop your company from continuing to engage in the conduct referred to above.

Our client demands that your company undertakes to:

- (a) immediately cease and forever desist from advertising, offering for sale, selling or supplying the Infringing Goods, or similar goods under or by reference to the CRYSTAL trade mark (or any similar trade marks that are likely to mislead or deceive);





- (b) immediately cease and forever desist from representing that your company or the goods are associated with or connected with or have the sponsorship or approval of our client;
- (c) within fourteen (14) days from the date of this letter, ie by **20 October 2022** destroy all advertising and promotional material and other documentation in your company's possession, custody or control under or by reference or incorporating the Infringing Mark;
- (d) within fourteen (14) days from the date of this letter, i.e. by **20 October 2022**, remove all references to the Infringing Mark from the Website and from all social media.

We are instructed by our client to request that your company complies **immediately** with undertakings (a) and (b) above and that your company provides its written agreement to all the undertakings by no later than fourteen (14) days from the date of this letter i.e. by **20 October 2022**. Your company may give the written undertakings by signing and returning to us a copy of this letter.

If your company fails to provide the undertakings and letter to our office by **4pm** on **20 October 2022**, or if having given the undertakings, fails to honour them, our client reserves its right to issue proceedings without further notice.

This letter has put your company on notice of our client's rights and should legal proceedings follow, this letter will be used as evidence of your company's knowledge of those rights for the purpose of those proceedings.

Our client expressly reserves its rights.

Yours sincerely

