

## 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.

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<b>DEPUTY REGISTRAR:</b>	<b>Michael Arblaster</b>
<b>REPRESENTATION:</b>	<p><b>Objector:</b> Luke Merrick of Counsel instructed by James Omond, Omond &amp; Co and Tony Battaglene, Winemakers' Federation of Australia.</p> <p><b>Applicant:</b> Christian Dimitriadis of Counsel instructed by Justin Senescall, Truman Hoyle Lawyers</p>
<b>DECISION:</b>	<p><b>2013 ATMOGI 1</b></p> <p><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.</p> <p>Regulation 71 provides that the Registrar is not entitled to make an award of costs.</p>

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### 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

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<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 40ZAA 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

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<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

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<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.

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<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>

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<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

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<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.

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<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