Australian National University
ANU CENTRE FOR EUROPEAN STUDIES

The Australian National University,
Research School of Social Sciences,
Building 146, Ellery Crescent,
Canberra, ACT 2600

Department of Foreign Affairs and Trade,
RG Casey Building
John McEwen Crescent
Barton ACT 0221 Australia

cc: consultation@ipaustralia.gov.au

Possible Geographical Indication (GI) privilege

In early September 2020 the Department of Foreign Affairs and Trade (DFAT) launched a consultation on possible reforms to Australia's legislative framework for the 'protection' of geographical indications (GIs). The consultation is a response to some of the European Union's (EU) demands in the current trade negotiations. The consultation is being managed by IPAustralia. It focuses on how any new GI registration system would be designed, avoiding the important prior question of whether there is any need for a new GI registration system. My response to this consultation addresses both issues.

First, however, I would like to note that in this context 'protection' means protection from competition. Such 'protection' is therefore fundamentally at odds with the goals of free trade, which are essentially to maximise competition because of the benefits this provides to consumers and to creating an environment for strong and competitive firms to emerge. I would also like to note that there is no such thing as a GI right. Any GI 'protections' above the TRIPS Article 22 provisions are privileges granted by legislators. Such privileges effectively amount to a constraint on trade and must therefore be subjected to the most careful scrutiny.

The available evidence suggests that the demand for a new GI system in Australia is so small as to be miniscule. It is also clear that a highly detailed proscriptive EU-style regulatory system would be entirely unsuitable for Australia. Should Australia decide greater regulation is needed to protect regional names, it should undertake a detailed consultation with Regional Development Authorities to ensure any such system is based on systematic and widespread evidence and well integrated with overall approaches to regional development. The simple but cost-effective *sui generis* wine GI system used in Australia would provide a good starting point for any discussions about system design should any need for a new system be identified.

Hazel V J Moir,*
Adjunct Associate Professor
Centre for European Studies
7 December 2020
hazel.moir@anu.edu.au

* The views in this submission are my own. While they are based on my academic work, they do not represent the views of any organisation or funding body. Any comments can be directed to hazel.moir@anu.edu.au.

Possible Geographical Indication (GI) privilege: responding to the EU demands

1. Introduction

The EU demand that Australia adopt a *sui generis* GI regulation needs to be seen against the background of Australia's current international commitments on GIs. This is addressed in Section 2. Another critical background issue is the very different geographic distribution of agricultural producers in the long and densely settled European countries compared to Australia's much sparser rural population. This is addressed in Section 3 which concludes that there is little evidence of any demand or need for a new GI system in Australia. Section 4 assesses the EU's treaty demands with respect to a new registration system for GIs and compares these demands to the outcomes from its other recent trade treaty negotiations. Clearly the EU is trying to further extend the reach of its TRIPS-Plus agenda through the current negotiations. Finally Section 5 looks at the elements that are critical if Australia were to consider it worthwhile introducing new regulations for GIs.

2. WTO obligations regarding GIs

TRIPS[1] Article 22 defines GIs as names for goods where "a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin". It requires World Trade Organization (WTO) members to provide legal means to ensure consumers are not mislead and producers are not subject to unfair competition. It also asks WTO members to ensure that trade marks are not granted using geographical names. There is nothing problematic about any of these commitments.

Misleading consumers

Most WTO members already had consumer protection laws which, inter alia, aim to ensure that product labels do not mislead consumers as to the origin of what they are buying. Most countries, therefore, already complied with this aspect of TRIPS Article 22.

The optional TRIPS Article 23 –applying only to new uses of GI names for wines and spirits since 15 April 1984 – disallows the use of geographical names "even where the true origin of the goods is indicated or the geographical indication is used in translation or accompanied by expressions such as "kind", "type", "style", "imitation" or the like." In regions such as the European Union such labels are thus legally defined as being misleading to consumers. **This is tantamount to a legal lie.** A label which says, for example, "burgundy-style wine from California" makes it quite clear to consumers what the product characteristics are and the origin of the wine. Such a label is in no way misleading. Nor does it constitute unfair competition.

The European Union has adopted GI regulations which go beyond TRIPS Article 23 in the privileges they provide for registered GI names. The EU is now proposing that Australia (and New Zealand) adopt these extreme restraints on competition. Examples include disallowance of 'evocation', including restrictions on the colours used in packaging.

Unfair competition

The unfair competition element of TRIPS Article 22 specifically refers to Article 10*bis* of the Paris Convention (1967). TRIPS Article 2 requires WTO members to comply with most provisions of the Paris Convention, including Article 10*bis*. Again, therefore, it is clear that most WTO members needed to take no new actions to implement TRIPS Article 22.

[1] TRIPS is the Agreement on Trade Related Intellectual Property Rights (Annex 1C of the Marrakesh Agreement Establishing the World Trade Organization, signed in Marrakesh, Morocco on 15 April 1994).

3. Does Australia need a new GI system?

If it were not for the trade negotiations with the EU it seems unlikely there would be any current discussion about introducing a new GI registration system in Australia. Australia already has two systems allowing for GI registration. One is specific to wines. The other is a specific use of certification trade marks (CTMs).

Current CTM system little used

There seems to be little evidence of demand for an additional registration system for foods. In the paper prepared for the IPAustralia roundtable on the Australian use of GIs,[2] IPAustralia notes a low uptake of CTMs for specific products such a ham or abalone. Of the names for CTMs that were registered at the time of the consultation, 22 were for alcoholic drinks, 19 were for food products and three were for other products.[3] Three of the wine CTMs were for Australian products and two of the food CTMs were for Australian products.

Because Australia's rural areas are less densely settled than those in Europe it is unsurprising that there are regions which have chosen to follow a different route in using Australia's CTM system to protect their regional names. "Tasmanian" is a registered CTM for products across a wide range of product classes including the five food and drink classes in the trade mark system. The Mornington Peninsula, the Norther Rivers region of NSW and East Gippsland all have CTMs for food and/or drink classes as well as hospitality.

Australia has a network of 47 Regional Development Authorities (RDAs). One (Hume RDA) has made a submission to the trade negotiation consultation process. This addresses the highly specific issue of the name prosecco. Tasmania's Brand Tasmania frequently participates in public discussions on GIs, but is the only RDA in Australia to do so. The absence of RDAs from discussions on this topic confirms the insignificance of a GI registration system for enhancing regional prosperity in Australia.

If GI registration systems lead to increased producer prosperity and enhanced regional prosperity, one would expect a far higher level of demand for regional CTMs and/or much greater demand for a new system. In fact the evidence that GI registration leads to increased producer prosperity or enhanced regional prosperity is scant (Török et al. 2020).

Failures of current CTM system

There are occasional criticisms that insufficient resources are devoted to ensuring that misleading geographic labels can be prevented. These criticisms raise two issues: whether Australia's consumer protection laws are working effectively; and whether there are sufficient resources available to the Australian Competition and Consumer Commission (ACCC) to enforce CTMs.

There are also handful of complaints from producers seeking GI recognition overseas. They claim this is not currently possible. This raises the question of why Australia has not negotiated recognition of its CTM system in its trade treaties. These few complaints are not, in themselves, sufficient to warrant the introduction of a new regulatory system.

Costs and benefits of a new GI regulation?

IPAustralia's consultation paper asks "What would be the costs and benefits to Australian industry, producers, and consumers of creating a new GI right?" (IPAustralia 2020: question 11). With no evidence that there would be many users of any new regulatory system, any

[2] https://consultation.ipaustralia.gov.au/policy/geographical-indications/user_uploads/virtual-roundtable-paper---australian-use-of-gis-2.pdf.

[3] There were also seven collective mark registrations for wines, 11 for foods and two for other product classes. I thank IPAustralia for sharing these data from the Trade Mark (TM) Register.

'benefits' would also be limited. This, of course, presumes that there is ***any*** benefit to producers using a new GI regulatory system. This would depend on the design of any such system. But, on the face of it, it does not appear that an EU-style GI system would deal with the kinds of complaints about labelling referred to above. As to consumers, Australian consumers are very familiar with the products on offer. Those willing to pay premiums for premium products are, in particular, sophisticated consumers who know not only what regional products they wish to purchase but also which producer they wish to purchase these from.

The introduction of another layer of food labelling regulation would incur costs in both design and implementation. It would also likely add to confusion. As the Chinese experience, with two EU-style GI systems and one US-style GI system shows, some producers are so confused that they simply apply for registration under all available systems (Cheng 2018: 14-15). In Australia, it is government policy to try to minimise unnecessary regulation, not to add to it.

4. The EU's demands for GIs

Background to the EU's demands

It was the EU that pushed for the inclusion of GIs in TRIPS – indeed this was an absolute EU requirement for agreement to the Uruguay Round trade outcomes. However the EU was unhappy that it had effectively only gained global agreement to Article 22 standards. Since then it has spent considerable negotiating resources in seeking to impose its GI agenda on the rest of the world.[4]

There are three elements to this post-1995 EU push.

Immediately after the establishment of the WTO, the EU commenced negotiating bi-lateral wine agreements in which it exchanged considerably improved access to EU wine markets for countries agreeing to adopt TRIPS Article 23 in respect of specified existing wines and spirits. As at late 2016, the EU had concluded 26 bi-lateral wine agreements, all requiring TRIPS Article 23 standards for specified wine and spirit names.[5] I note that these wine agreements included agreement that prosecco was a grape variety name. Since then the EU has registered prosecco as a GI and is now seeking 'protection' for prosecco as a wine GI in Australia. DFAT has publically stated that this demand is outside the ambit of the current trade negotiations.[6]

The EU has also spent considerable resources pushing for a global GI register and for global agreement to extend the reach of the Article 23 level of privilege accorded to all types of products (Das, 2008, 2015). To date, these multi-lateral efforts have been unsuccessful.

Since 2006, when it adopted its Global Europe strategy and entered into a series of bi-lateral trade negotiations, the EU has pushed for three additional GI goals. Firstly it has sought GI 'protection' in trade partner countries for an increasing list of specific food and spirit GIs. Secondly, it has sought that its trade partners agree to Article 23 standards of 'protection'. Thirdly it has sought agreement to an increasingly extensive set of EU-based TRIPS-Plus GI norms.

---

[4] See, for example (Das 2008, 2015; Drexl, Ruse-Khan and Nadde-Phlix 2014; Handler 2016; Moir 2017; Nadde-Phlix 2014; O'Connor and de Bosio 2017).

[5] There is no longer an EC web page listing the wine agreements. The figure of 26 such bi-lateral wine agreements is from late 2016, when a dedicated page existed.

[6] Webinar on GI system consultation process, 30 September 2020, transcript available at https://www.ipaustralia.gov.au/tools-resources/video/transcript-geographical-indications-webinar.

The EU demands in the draft Australia text

The EU's current GI trade negotiation demands in Australia and New Zealand cover all three of these issues, though the scope of adoption of EU GI norms proposed is far more extensive than in the five main recently negotiated trade agreements. The following discussion looks at the main elements of these demands.

Processes for the protection of listed names

Although all recent major EU trade treaties (with Korea, 2011; Canada, 2017; Japan, 2018; Singapore, 2019; and Vietnam 2020)[7] specifically limit the GI provisions to agricultural products,[8] there is no such limit proposed in the text for Australia. Implicitly, the immediate limitation would be to agricultural products as only foodstuffs and spirits are proposed for the treaty Annex. But over the longer term the EU might push for GI 'protection' to be extended to other product classes. Recently the EU has begun considering extending their GI system beyond agricultural products.[9]

Question 1 in the IPAustralia consultation paper (2020) asks "what types of goods should be eligible for protection as a GI?" It is well known that the only reason Australia is participating in discussions on GIs is that these are seen by the EU as an essential trade-off for opening their heavily protected agricultural markets. If Australia agrees to any proposals on GIs, it should ensure these are limited to agricultural products with no scope for extension to other product classes.

As at 2018, some 43% of Australia's cheese imports were from the EU.[10] In contrast, even the largest of the EU's cheese importers (Germany, UK) imported only 0.1% of their cheese imports from Australia and New Zealand combined. These data suggest that it is very unlikely that the GI negotiations will lead to increased cheese exports from Australia to Europe,[11] and, against the background of the increased specialty cheese production in Australia, European producers may find they have already reached market limits.

Although the EU claims that listing GI names is to 'protect' consumers, it is clear that the actual motivation is commercial advantage. Comparing listed GI names between EU treaties indicates a "pick and choose" attitude demonstrating a fundamental goal of taking a greater share of the markets so painstakingly built up by European emigrants over past decades. Australia places far fewer limits on EU agricultural exports to Australia than the EU does on Australian agricultural exports to the EU. So EU producers already have a substantial market. Providing anti-competitive privileges to allow them to compete on privileged terms compared to domestic and third country producers runs directly contrary to Australia's strong beliefs in competition principles.

As with most other recent treaties there has been a process for examination and objection to the names the EU has proposed for GI 'protection' in Australia. The EU has proposed 172 EU food names and 236 EU spirit names the EU for 'protection' in Australia. Problems with the specific proposed names include:

- non-geographic names (e.g. feta);

---

[7] These are the main EU trade treaties since the adoption of the Global Europe policy in 2006. Dates given are when the treaties largely came into force.

[8] Four of the five recent EU treaties specifically state the scope to be "wines, spirits, agricultural products and foodstuffs." In the EU-Canada treaty, the limitation is to 21 specific classes from the harmonised system for classifying international trade.

[9] See https://ec.europa.eu/growth/industry/policy/intellectual-property/geographical-indications/non-agricultural-products_nn.

[10] https://oec.world/en/visualize/tree_map/hs92/import/aus/all/10406/2018/. A further 38% were from New Zealand, 19% from the USA and some 0.1% from Asia,

[11] Indeed, Australia currently does not fully use its quotas for cheese imports into Europe.

- misleading origin labelling on many Protected Geographical Indications (PGIs) and some pre-1984 Protected Designations of origin (PDOs);
- proposed registration of animal breed names (e.g. Manchego);
- names that are plant varieties;
- names that are already on Australia's Trade Mark Register;
- names that are generic in Australia (parmesan, mortadella). [12]

Nonetheless, there are a number of compound names (product plus place names such as *camembert de Normandie*) that are not currently on the TM Register and where the labels are neither misleading nor common names. Such names would not create any significant problems in Australia if they were granted TRIPS Article 22 levels of protection. The significant problems are with single word names, particularly those that are either not geographic names, names which have become generic in Australia or Australian place names (Gruyere, in Victoria). In general the EU is willing to accept a process for the examination of proposed names and for a process for objecting to registrations.[13] Such a process has occurred in Australia but, as yet, the government has shared the outcome of this process only with the EU and not with the Australian community.

Processes for adding names to Annex lists

In the recent EU treaties processes for adding names to these Annex lists are less transparent. A clear requirement for examination and objections is evident only in the treaties with Vietnam and Japan. In general additions to the Annex lists are managed by a joint committee or working party. The EU's draft Australia text recognises that examination and objection processes would be required for additions to the list and suggests that the process would be managed by a joint working committee (undrafted/blank Article X.65).

In other recent EU treaties there are interesting protections for EU trading partners against EU over-reach in adding names to Annex lists. In the Vietnam and Canada treaties names that were registered in the EU prior to the trade negotiations cannot "in principle" be added later. Australia should press to adopt this protection, but without the "in principle" escape clause. As there are currently 770 registered EU PGIs (plus 87 pending) and 566 registered EU PDOs (plus 35 pending),[14] this exclusion is important to ensure that Australian registers are not swamped. In this regard, an interesting feature in the EU-Singapore treaty is that a GI can remain registered only if a "minimal commercial activity or interest" is maintained (Article 10.19.4(b)). Australia would do well to include this provision. A fundamental part of trade mark policy (from which GI policy derives) is that names only remain registered if they remain in commercial use.

The Canada treaty also disallows the addition of new names if these are already registered TM names or if they are common names. Among the proposed 172 EU food names there are 17 which have sought trade mark based protection in Australia, of which 15 proceeded to registration. There are fees attached to trade mark registration and renewal. This is to encourage the register to remain up-to-date and to release names that are no longer in commercial use. It also reflects Australia's strong "user pays" culture. As the EU is proposing no fees for GI registrations, moving names from the TM Register to a GI system is simply cost-shifting and should not be accepted. Australia should follow Canada in excluding new GI names from being added to the Annex list if they are names that have ever had a trade mark accepted or granted in Australia.

---

[12] See my submission to DFAT in the context of the objection process for specific EU names https://www.dfat.gov.au/sites/default/files/dr-hazel-v-j-moir-anu-eufta-supplementary-submission.pdf.

[13] There is no evident objections process for listed GI names in the Korean and Canadian treaties, but in the other three treaties it is clear there was an objections process.

[14] These data are from the new EC database GIview, as at 4 December 2020 (https://www.tmdn.org/giview/). Data above are from the "map" view, to include only EU GIs (but including UK).

Names which can never be registered as GIs

TRIPS Article 24.6 makes it clear that WTO members are not obliged to register as GIs names which are customary/common names, or names of grape varieties. Article 24.8 preserves the right to commercially use a "person's name or the name of that person's predecessor in business". There is also a longstanding international norm that names of animal breeds or plant varieties cannot be appropriated as GI names. These are common names and should remain free for everyone to use.

All five recent EU treaties exclude from GI registration personal business names and a similar exclusion is in the draft text proposed for Australia. All exclude plant variety and animal breed names, though in two of the treaties these exclusions are qualified. In the Korean treaty plant variety and animal breed names are excluded only if they are misleading. In the Japan agreement they are excluded only if they are misleading **and** they are common names. I note that that there is little overlap in agricultural product names between Europe and the East Asian countries Korea, Vietnam and Japan.

This is not the case in Australia and stronger protections from GI over-reach are needed for Australia. In its negotiating text the EU proposes that the exclusion from GI registration of plant variety and animal breed names be qualified by the phrase "and as a result is likely to mislead the consumer as to the true origin of the product" (Article X.38.2). Australia should strongly resist this demand. The exclusion of plant variety and animal breed names from GI registration should be absolute.

The core of the GI dispute between New and Old World countries is whether certain European place names are generic (common) names in New World countries. I addressed this issue at length in my submission to DFAT on its consultation on the proposed list of 172 names.[15]

There is documentary evidence from the EU-Korea treaty that at least the following names are considered generic: grana, parmigiano, provolone, romano ("including their translation or transliteration"), as well as camembert, mozzarella, emmental, brie and cheddar.[16] A side-letter to the EU-Singapore treaty indicates that "feta from other origins can coexist in perpetuity with the EU Feta geographical indication" clearly indicating that feta is a generic name.[17]

In the current negotiations between Australia and the EU some product names have already been agreed as generic, but a seven such names are not yet agreed as generic: manchego (a sheep breed), moutarde (mustard), thym (thyme), grana (grain), kiwi (as in kiwi fruit), mortadella (a sausage type), and parmigiana (parmesan). If progress has been made in agreeing that these generic names remain generic, then DFAT should update its website[18] to show this.

The EU negotiating text includes another element that is not present in any of its recent trade treaties – that any name listed in the Annex shall never become generic (Article XX.34.1 (p.18). Australia should not agree to any restraints on trade that go beyond those in any other recent EU trade treaties.

Extensive limits on ability to use registered GI names (standard of protection)

In their negotiations with Australia the EU is proposing a much higher standard of 'protection' – no direct or indirect commercial use or 'evocation' of a protected name and restrictions on packaging (Article X.34). These demands not only ask for TRIPS Article 23 standards of

[15] https://www.dfat.gov.au/sites/default/files/dr-hazel-v-j-moir-anu-eufta-supplementary-submission.pdf: 10-12.
[16] https://ustr.gov/sites/default/files/uploads/pdfs/PDFs/December%202012/062011%20Kim-Kirk%20Letter%20on%20GIs.pdf
[17] https://trade.ec.europa.eu/doclib/docs/2013/september/tradoc_151779.pdf
[18] https://www.dfat.gov.au/trade/agreements/negotiations/aeufta/public-objections-gis/Pages/list-of-european-union-geographic-indications-gis.

'protection' but go considerably beyond this. They would make unlawful labelling which does not mislead consumers as to origin. They would prevent comparative advertising.

The EU's proposed text reads "The geographical indications listed in Annex [XX]-C, including [additions], shall be protected against: … any misuse, imitation or evocation, even if the true origin of the product is indicated or if the protected name is translated, transcribed, transliterated or accompanied by an expression such as "style", "type", "method", "as produced in", "imitation", "flavour", "like" or similar, including when those products are used as an ingredient" (Article XX.24.1.(a)). This drafting clearly states that labels which indicate the true origin of a product would not be allowed if they use an EU GI name agreed in an Annex to the treaty.

The wording in the five recent EU trade treaties is taken directly from TRIPS Article 23, but the text proposed for Australia goes beyond this in three ways. Firstly the list of expressions which cannot be used is expanded by the inclusion of "method", "as produced in", and "flavour". Secondly the prohibition of such expressions is extended to when products are used as an ingredient. Finally this is the first time transcriptions and translations are prohibited in a country using a latin alphabet. Transcriptions are prohibited in the Korea treaty (Article 10.21.1(b)) and transliterations in the Japan treaty (Article 14.25.1.(a)), but the EU treaties with Singapore (Article 10.19), Vietnam (Article 6.5.1) and Canada (Article 20.19.3) only prohibit translations.

But the fundamental problem with this demand is that the GI name be 'protected' against "any misuse, imitation or evocation, ***even if the true origin of the product is indicated***". This concept – that a label that indicates the true origin of a product can be a misuse is pure over-reach. It is the reason why so many have had problems with TRIPS Article 23.

There is no sound social, cultural or economic reason for Australia to grant such excessive restraints on trade for origin labelling on goods. There is no benefit to consumers – indeed if accepted they could lead to *a reduction in the range of products available to Australian consumers*. Such an outcome flies in the face of the goals of free trade agreements.

A particular example is feta. Feta is not a geographical name – it is a word that means slice in both Italian and Greek. At present Australian consumers can buy Danish feta, Greek feta, Bulgarian feta, Australian feta and 'Persian' feta – which appears to be an Australian invention consisting of marinaded feta. If Australia agrees to recognise the non-geographic name feta as a geographic name, then it needs also to adopt a variant of the protection for consumers that Singapore achieved in its EU treaty – "feta from other origins, including Denmark and Bulgaria, can coexist in perpetuity with the EU Greek feta geographical indication".

One odd feature of the proposals in Article XX.34 is that the final proposed limitation "any other practice ***liable to mislead the consumer*** as to the true origin of the product" differs from that in the previous five EU treaties where the wording is "any other use which ***constitutes an act of unfair competition***". Why the EU has shifted from unfair competition to misleading consumers is unclear.

<u>Restrictions on packaging / evocation</u>

Earlier EU treaties prohibit "any means in designation or presentation of a good that indicates or suggests that the good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the good". This text is designed to prohibit visual aspects of packaging for products. But the proposed text for the Australia treaty goes much further:

> "any other false or misleading indication as to the origin, nature or essential qualities of the product, on the inner or outer packaging, advertising material or documents relating to the product concerned, and the packing of the product in a container liable to convey a false

impression as to its origin, including when those products are used as an ingredient" (Article X.34.1(b)).

Evocation is an EU TRIPS-Plus concept which effectively prohibits use of a registered GI name for any comparative purpose on the alleged grounds that this brings the registered GI name into disrepute. Prior to this doctrine, Perrier was marketed in Germany as "the champagne of mineral waters" (Hughes 2006: 385). This, now, is not allowed. The most recent legal case on evocation is simply absurd.

Following an interpretation of the evocation concept given by the European Court of Justice on 2 May 2019,[19] that a registered GI name may be evoked through figurative signs, the Spanish Supreme Court made a "pioneering judgement".[20] A competitor cheese, using labels with images referring to the novel Don Quixote and the words "Quesos Rocinante", had its trade mark revoked as their labels and words were found to "evoke" not only the La Mancha region but the PDO cheese Queso Manchego.[21] In other words, the unlawful "evocation" occurred via the images of a well-known novel! For further analysis see Gibson (2019).

Australia would do well to avoid adopting such extraordinary regulations.

Question 6 in the IPAustralia consultation paper (2020) asks "should a new GI right extend the international standard of protection for wines and spirits to all goods? Are there other practices that should be prevented?" As discussed above there is no benefit to consumers in adopting the TRIPS wines and spirits (Article 23) restraints on trade. Nor is there any benefit to Australian producers in doing so – indeed both producers and consumers would likely be harmed by adopting such severe and unnecessary restraints on trade. This applies even more to the EU's TRIPS-Plus practices of restraints on packaging and its doctrine on "evocation".

Registration procedures (including examination and opposition)

The draft EU text proposes very detailed procedures for registration of GI names in Australia. Looking at other EU treaties, the EU has included seven specific requirements for such procedures, except in its treaty with Canada, where there is no discussion of how the proposed GI registration process would work (see Table 1). In the other four treaties, the three common features are a public register; a process for verifying origin and that the product has a characteristic attributable to that origin; and a procedure for objecting to registrations. Three of the treaties also require processes for cancelling registered GI names. The most prescriptive of the EU treaties is the earliest one, with Korea.

It is interesting to speculate about why the EU's negotiating text proposes the most detailed specification since its first Global Europe treaty. The EU's treaty with Canada does not contain any element specifying the design of a GI regulatory system. Australia is well known as an opponent of *sui generis* GI systems. Despite the frequent justification that GIs protect long-standing traditional methods of production, they are regularly amended (Ruiz et al. 2018).

Not only is the proposed specification of a GI regulatory system as detailed as that in the Korea treaty, it goes further in specifying an additional element – that the registered production specifications can be amended.

It would appear that the EU trade negotiators have not considered the important differences in the nature of agricultural production between European countries and Australia. Further they have not given any consideration to the design of Australia's GI registration system for wines.

---

[19] https://curia.europa.eu/jcms/upload/docs/application/pdf/2019-05/cp190055en.pdf.

[20] https://berenguer-pomares.com/en/origin-biannual-meeting-in-treviso-2/.

[21] Which should never have been registered as a PDO as Manchego is the name of a sheep breed. Further, the PDO production specifications for Queso Manchego do not specify **where** production should take place, instead focusing on the type of sheep (Manchego breed) from which the milk should come. La Mancha is a very large area and there does not seem to be a place called Manchego – a basic requirement for a GI.

Table 1: GI Registration procedures agreed in recent EU trade treaties compared to proposals for Australia

Korea 2007-2011-2015	Singapore 2010-2019-2018	Vietnam 2012-2020	Japan 2013-2018	Canada 2009-2017	Australia 2018-
Registration procedures: a) public register; b) verify origin and attributable characteristic (examination); c) meet production specifications; d) control process for specifications; e) all producers may use name if conform to specifications; f) objections;	**Registration procedures:** a) public register; b) verify origin and attributable characteristic (examination); f) objections; g) rectification / cancellation of register entries	**Registration procedures:** a) public register; b) verify origin and attributable characteristic (examination); f) objections; g) rectification / termination of register entries	**Registration procedures:** a) public register; b) verify origin and attributable characteristic (examination); f) opposition; g) cancellation process	**Registration procedures:** Not specified	**Registration procedures:** a) public register; b) verify origin and attributable characteristic (examination); c) meet production specifications which can be amended; d) control process for specifications; e) all producers may use name if conform to specifications; f) objections

Source: compiled from original treaty texts and proposed text for Australia-EU treaty.

Note: dates for each country are: date of commencing negotiations, date main provisions came into force; date treaty ratified.

Australia's *sui generis* wine GI registration system clearly indicates Australia's dislike of heavy handed and over-prescriptive regulation. The system is simple, easy to use and highly cost-effective (van Caenegem, Drahos and Cleary 2015: 18-19). It consists of two elements – clear delineation of regional boundaries and a requirement that at least 85% of the grapes must be grown inside the regional boundary if the wine is to carry the regional name. This provides a far stronger regional linkage than is the case for many EU GI registered names. It also leaves producers free to innovate.

Overall the EU proposals in this area come over as extremely condescending and disrespectful.

Given the totally different distribution of agricultural producers in Australia and the almost total lack of demand in Australia for an EU-style registration system for foods, – to date, only a single product-specific CTM (Australian wild abalone), one collective trade mark (Shark Bay Wild) and four pending collective trade marks – the EU's proposals are simply inappropriate. Should Australia feel compelled to introduce a new layer of GI registration in exchange for better access to AU agricultural markets, the design of the system needs to mirror that of Australia's wine GI registration system not the EU's overly complex and prescriptive system. The key elements of such a system are addressed in Section 5.

Relationship to trade marks

The EU claimed a substantial victory in its treaty with Canada when Canada agreed that GIs listed through the treaty Annex could co-exist with earlier registered trade marks. But there were special circumstances in Canada – a trade mark had been granted for the words Parma ham. There is no such special situation in Australia. There is therefore no reason for Australia to abandon its longstanding policy of "first in time, first in right".

Fees and user registration

The EU's negotiating text requires that no data be collected on the users of a registered GI name (Article X.35) and further requires that there be no fees for GI registration (Articles X.35 and X.38.8).

Collecting data on users of registered GI names

A frustrating aspect of the EU GI system is that the EU systematically avoids collecting data to assess the effectiveness of their GI system. It has commissioned some case studies (e.g. Areté 2013) and two periodic *estimates* of the value of selected aspects of the system (AND-International 2012, 2019). But it refuses to collect systematic data on the number and characteristics of the users of each registered GI. Indeed it carries this refusal to the point where **it insists that trading partners also do not collect such data**.

Without data on the users of registered names it is impossible to substantiate claims such as that the GI system benefits small producers, or that the GI system helps to increase net producer income.

Australia takes an evidence-based approach to policy and regularly assesses the effectiveness of policies across a wide range of subject areas.[22] It runs counter to Australia's norms on transparent government to adopt a regulation that cannot be effectively evaluated.

If Australia does institute a new regulatory system for GIs, this system must be built so that useful evaluative data are collected regularly as an administrative by-product.

[22] See, for example, the scope of studies and inquiries undertaken by the Productivity Commission.

Cost-shifting

Australia CTM system is already used by a number of EU consortia with registered GI names: Grana Padano, Gorgonzola, Montasio, Mozzarella di Bufala Campana, Parmigiano Reggiano, Pecorino Romano, Pecorino Toscano, Piave, Prosciutto di Parma and Stilton all have registered CTMs. The producers of Gruyère filed for a CTM in May 2017. The Prosciutto Toscano consortium filed for a CTM but never completed the process. The Provolone Valpadana Consortium has allowed its CTM to lapse. Other producer consortiums have used the individual trade mark route: Roquefort, Prosciutto di San Daniele and Taleggio. An interesting case is Asagio, where there is a registered CTM, but for the name embedded in a logo. The Asagio also applied for a CTM for the simple word Asagio, but this was successfully opposed.[23]

Like others registering trade marks, these foreign applicants pay the standard application, examination and renewal fees. As noted above Australia has a user pays approach across many types of business and household services.

The EU's negotiating demand for no fees simply shifts costs from foreign producers to domestic taxpayers and should be resisted.

5. Designing a system for Australia

As discussed above the nature of agriculture in Australia is markedly different from that in Europe. There is therefore no demand for registration of such highly specific products as *brie de Meaux*. To date, there is evidence of a greater demand for region based CTMs for broad classes of goods than for narrow product classes (though the demand for both is very low).

There is, however, substantial regional branding for a range of agricultural products, and this has existed for many decades. The reputation of most of Australia's premier wine regions – Coonawarra, Margaret River, Hunter Valley, Yarra Valley – long pre-dates the wine GI registration system introduced in the 1990s.[24] Beyond wines, many regions have specific reputations for high quality food products – Batlow for apples, the Riverina for oranges and many specific regions for different cheeses, for example. To date there has been little need for any regulations to cover the purchase and sale of regional foods. The small number of registrations under the CTM system are very recent and the EU has been talking up the idea of geographical indication registration over the last several years.

Before introducing any new labelling regulations for regional foods, it would be sensible to talk with the few regions which have introduced CTMs covering foods to find how they have found the experience. It would also be useful to investigate cases where such systems were introduced informally and then abandoned. For example the new Granite Belt wine region had, for a few years, an associated food trail promoting local produce. This initiative failed as producers no longer wished to co-operate in this way.[25]

It would also be useful to consult extensively with Australia's Regional Development Authorities as to the needs they perceive for regional branding in Australia to work effectively to promote regional prosperity.

Following these consultations it will be possible to determine an answer to IPAustralia's consultation Question 2: "Should GIs filed under a new system cover a single good or multiple goods?" On the face of it, it would seem that an EU-style single product system is unlikely to

---

[23] Trade mark number 1652743 see https://search.ipaustralia.gov.au/trademarks/search/view/1652743?q=Asiago.

[24] And the surge in wine exports since 1986 is not clearly linked to the adoption of a GI system – indeed in his analysis of the competitiveness of the Australian wine industry, Anderson does not even mention the adoption of this system or the bi-lateral wine agreement with Europe (Anderson, 2018).

[25] Presentation by Leeanne Puglisi-Gangemi at the 'Taking Provenance Seriously: Will Australia Benefit from Better Legal Protection for GI's?' Colloquium, Bond University Faculty of Law, 12 February 2019.

be suitable. In this regard it is interesting to note that at least two of the EU's recent treaties define the scope of the GI system with respect to the Harmonized Commodity Description and Coding System, used for international trade (generally referred to as the "HS"). In both the Vietnam and the Canada treaties 21 HS classes are identified, all relating to agricultural products. These HS classes are far closer in their product range breadth to trade mark classes than to the EU's narrow GI product specifications.

As noted above there are a small number of complaints about regional labelling and clearly it would be useful to review Australia's consumer protection laws to ensure that these are effective in preventing inaccurate origin labelling.

IPAustralia's consultation Question 5 asks "What level of detail should be required for any conditions of use, such as production methods, boundaries and what it means for a product to come from the region?" As noted above the EU approach to GI regulation is highly proscriptive and is substantially at odds with Australian norms about regulation. The level of detail required in Australia's *sui generis* wine system is minimal, imposing no additional costs on producers following initial discussions to establish regional boundaries. The 85% rule on where grapes are grown establishes a clear linkage to the region – indeed it is a far tighter and clear regional requirement than for any EU PGI name. A similar system for food products could be investigated – at least 85% of food content would have to be grown in the region. If the system is to promote regional prosperity, there should be a requirement that production also take place in the region. No further detail should be required.

Finally, IPAustralia's consultation Question 10 asks "Should criminal enforcement be available for GIs registered in Australia?" Criminality for breach of any commercial regulation is problematic. Criminality in copyright derives from the initial exchange of monopoly for censorship and the right of search and entry pre-dated the establishment of police services. This provision morphed, without scrutiny, into criminality for copyright breaches. Given purely mercantilist nature of the claim for GI 'protection' any breaches of GI regulations should, at most, be a matter for fines.

References

Anderson, Kym, 2018, "Australian wine industry competitiveness: Why so slow to emerge?" *ANU Working Papers in Trade and Development,* No. 2018/22.

AND-International, 2012, *Value of production of agricultural products and foodstuffs, wines, aromatised wines and spirits protected by a geographical indication*, Report for the European Commission (tender no. AGRI-2011–EVAL–04).

———, 2019, *Study on economic value of EU quality schemes, geographical indications (GIs) and traditional specialities guaranteed (TSGs) Final Report*, for the European Commission, available at https://op.europa.eu/en/publication-detail/-/publication/a7281794-7ebe-11ea-aea8-01aa75ed71a1.

Areté, 2013, *Study on assessing the added value of PDO/PGI products: Executive summary*, Report for the European Commission, available at https://op.europa.eu/en/publication-detail/-/publication/7ec0d921-8630-4acc-96e3-1ccad465282a.

Cheng, Wenting, 2018, "GIs in East Asian countries," presentation at the ANUCES *Understanding Geographical Indications Workshop,* Berlin.

Das, Kasturi, 2008, "Select Issues and Debates around Geographical Indications with Particular Reference to India," *Journal of World Trade,* 42(3): 461-507.

———, 2015, "The protracted WTO battle over a multilateral GI register: what lies beneath." *Journal of World Trade,* 49(6): 1073-1102.

Drexl, J., H.G. Ruse-Khan, and N. Nadde-Phlix, 2014, "EU bilatral trade agreements and intellectual property: for better or worse?" pp. 265-291 in *EU bilatral trade agreements and intellectual property: for better or worse?*, edited by J. Drexl, H.G. Ruse-Khan, and S. Nadde-Phlix. Heidelberg: Springer.

Gibson, Johanna, 2019, "Tilting at windmills: the law of evocation in geographical indications and designations of origin, *Queen Mary Journal of Intellectual Property*, 9(3): 239-243.

Handler, Michael, 2016, "Rethinking GI extension" pp. 146-182 in *Research Handbook on Intellectual Property and Geographical Indications*, edited by D.S. Gangjee. Cheltenham: Edward Elgar.

Hughes, Justin, 2006, "Champagne, Feta, and Bourbon: The Spirited Debate about Geographical Indications," *Hastings Law Journal,* 58(2): 299-386.

IPAustralia, 2020, "Australia-European Union Free Trade Agreement: Consultation on a Possible New Geographical Indications Right", Consultation paper, September 2020, https://consultation.ipaustralia.gov.au/policy/geographical-indications/user_uploads/geographical-indications-consultation-paper-september-2020.pdf

Moir, Hazel V.J., 2017, "Understanding EU trade policy on geographical indications", *Journal of World Trade,* 51(6): 1021-1042.

Nadde-Phlix, Souheir, 2014, "IP protections in EU free trade agreements vis-à-vis IP negotiations in the WTO", pp. 133-156 in *EU bilatral trade agreements and intellectual property: for better or worse?*, edited by J. Drexl, H.G. Ruse-Khan, and S. Nadde-Phlix. Heidelberg: Springer.

O'Connor, Bernardand G. de Bosio, 2017, "The Global Struggle Between Europe and United States Over Geographical Indications in South Korea and in the TPP Economies " pp. 47-79 in *The Importance of Place: Geographical Indications as a Tool for Local and Regional Development*, edited by W. van Caenegem and J. Cleary: Springer.

Ruiz, Xiomara F.Q., H. Forster, M. Penker, G. Belletti, A. Marescotti, S. Scaramuzzi, K. Broscha, M. Braito, and C. Altenbuchner, 2018, "How are food Geographical Indications evolving? – An analysis of EU GI amendments", *British Food Journal* 120(8):1876-1887.

Török, Áron, L. Jantyik, Z.M. Maró, and H.V.J. Moir, 2020, "Understanding the real-world impact of GIs: A critical review of the empirical economic literature." *Sustainability* 12(22): 9434.

van Caenegem, William, P. Drahos, and J. Cleary, 2015, "Provenance of Australian food products: is there a place for Geographical Indications?" in *Rural Industries Research and Development Corporation 15/060*.