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Australian Body of Grape Growers and Winemakers Fail to Prevent the Registration of "Prosecco" as a Geographical Indication

Case Update: Australian Grape and Wine Incorporated v Consorzio Di Tutela Della Denominazione Di Origine Controllata Prosecco [2021] SGIPOS 4

The Intellectual Property Office of Singapore recently had an opportunity to conduct a full substantive opposition hearing for Geographical Indications in Singapore. This also represented the first judicial interpretation of the substantive grounds of opposition under Section 41 of the recently introduced Geographical Indications Act 2014 ("GIA").

Facts of the Case

The Producer's Consortium for Prosecco of Italy (the "Applicant") sought to register as a geographical indication ("GI") the name "Prosecco" in respect of wines (the "Application GI"). This application was opposed by Australian Grape and Wine Incorporated (the "Opponent"), the representative body for grape growers and winemakers in Australia. The opposition was based on the following grounds under the GIA:

- 1. The Application GI "contains the name of a plant variety ... and is likely to mislead the consumer as to the true origin of the product" ("Section 41(1)(f) Ground");
- 2. The Application GI "does not fall within the statutory definition of "geographical indication" ("Section 41(1)(a) Ground").

Section 41(1)(f) Ground – Even though Prosecco referred to a plant variety, it is not necessarily misleading as to the true origin of the product

The Opponent failed to establish the Section 41(1)(f) Ground. Although it was accepted that the Application GI was indeed used to refer to a plant variety, the Registrar found that this <u>in itself</u> was not likely to mislead consumers as to the true origin of the product.

In interpreting the Section 41(1)(f) Ground, the Registrar noted that it included the conjunctive word "and" which indicated that there are two limbs to satisfy in Section 41(1)(f), namely that the:

- 1. geographical indication contains the name of a plant variety or an animal breed; and
- 2. such geographical indication is likely to mislead the consumer as to the true origin of the product.

The Registrar was not persuaded that the second limb of Section 41(1)(f) had been satisfied. While the Opponent sought to argue that the Application GI was likely to mislead the consumer into thinking that goods would <u>only originate</u> <u>from a specified region in Italy ("Specified Region")</u> when such wine can and does originate from other countries like

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Australia which produce wines from the "Prosecco" grape variety, the Registrar found that such assumption "... seems to be overly simplistic, as it fails to take into account all relevant circumstances of the case...". In coming to her conclusion, the Registrar took into consideration the following factors:

1. The state of the marketplace

- There was no evidence of confusion produced despite the fact that Australian Prosecco has been sold alongside Prosecco in Singapore for at least 4 years.
- "Prosecco" has been used on Italian wines from the Specified Region for a significant length of time, and such wines have been sold in Singapore since 2010.
- The use of "Prosecco" as a grape variety is not so widespread and pervasive as to increase the likelihood of the consumer being misled. Apart from Italy and Australia, there were no other wines made from the "Prosecco" grape variety available in Singapore as at the Relevant Date.

2. Consumer behavior

• Consumers are likely to pay a higher degree of attention for the goods concerned and are more likely than not to consider the country of origin, grape variety and tasting notes for wine.

3. The way the product is sold

The industry practice for sale of wines in Singapore, which is to market wines and mark bottles and menus
with accompanying descriptions of the country of origin, will also lower the likelihood that consumers will be
misled.

It follows from the above that in considering whether a Section 41(1)(f) Ground is established, it is necessary to "... take into account all relevant circumstances of the case..." that may contribute to a likelihood of consumers being misled as to the true origin of the product.

Section 41(1)(a) Ground – A word may be a geographical indication even if it has multiple meanings

The Opponent also failed to establish the Section 41(1)(a) Ground. The Registrar was satisfied that "Prosecco" fell within the statutory meaning of "geographical indication" as: (1) it referred to a qualifying country or region; and (2) a given quality, reputation or other characteristic of the goods is essentially attributable to that place.

The Opponent sought to argue that "Prosecco" was a generic term as the average Singaporean would regard it as referring to <u>all wines made from "prosecco" grapes</u>, not an exclusive indication of the Specified Region. However, the Registrar took the view that the definition of "geographical indication" in the GIA is neither concerned with:

- 1. how the indication is perceived by consumers; nor
- 2. whether the indication is a generic term for a type of produce or an indicator that the product originates from a specific region.

Instead, she held that the question is simply whether the indication is used in trade to identify goods as originating from a place.

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This suggests that under the Section 41(1)(a) Ground, it is the traders' intention that counts, and consumer perception of the geographical indication is irrelevant. In addition, the Registrar also referred to a separate (unpleaded) ground of refusal for common names of goods under Section 41(1)(e) of the GIA which may potentially have been applicable instead. This ground may have allowed the Opponent to make the argument that "Prosecco" is in fact a generic term for wine made from "prosecco" grapes. However, the Registrar (rightfully) did not elaborate on this further and it remains to be seen whether the facts and evidence in the present case could have been sufficient to establish the grounds for refusal under Section 41(1)(e) instead.

Lastly, the Opponent also sought to argue that the Section 41(1)(a) Ground was established as the Application GI did not have any qualities, reputation or other characteristics essentially attributable to the Specified Region. To support this, the Opponent relied on a 2019 research report from Monash University. However, the Registrar gave little weight to this report, on the basis that it was merely a single piece of evidence that was prepared at the request of the Opponent and its objectivity could not be established.

Conclusion

The present case represents one of Singapore's first forays into the law of Geographical Indications. Given the unanswered question of whether Section 41(1)(e) of the GIA could have applied to this case, the general dearth of cases in this area of law, and the growing number of GIs protected and used in Singapore, we anticipate that this area of the law is primed for further and rapid development in the near future.

If you would like to discuss protecting and enforcing GIs in Singapore, please get in touch with us. For queries or more information, please contact:



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