

Registration of “Prosecco” as a Geographical Indication Successfully Opposed on Appeal

Case Update: Australian Grape and Wine Inc v Consorzio di Tutela della Denominazione di Origine Controllata Prosecco [2022] SGHC 33

We previously reported on the Intellectual Property Office of Singapore’s (“**IPOS**”) decision on this case, where the opposition against the geographical indication “PROSECCO” was **refused**. Our full report on this decision may be found [here](#).

The matter was appealed to the General Division of the High Court, which has now **reversed** the decision of IPOS , and **allowed the opposition**. The judgment is significant and presents interesting points of development in Singapore law relating to Geographical Indications.

Facts of the Case

To recap, 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 Geographical Indications Act 2014 (“**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**”).

The Principal Assistant Registrar (“**PAR**”) below refused the Opposition on both grounds but on appeal, the High Court allowed the Opponent’s appeal based on Section 41(1)(f), but not Section 41(1)(a) of the GIA.

Section 41(1)(f) Ground – Opposition was successful on this ground, as Prosecco objectively referred to a plant variety and could originate from various geographical locations. Hence if the Application GI was allowed, this is likely to mislead as to the true origin of the product.

The High Court reversed the PAR’s decision and found that the Opponent succeeded on the Section 41(1)(f) Ground. In interpreting the Section 41(1)(f) Ground, the Court agreed 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.



With regard to the first limb,

1. the Court largely agreed with the PAR's analysis but opined that determining whether "Prosecco" was the name of a grape variety was a matter of **objective** fact.
2. the Court rejected the argument that limb 1 required "Prosecco" to be subjectively recognized by consumers in Singapore as the name of the plant variety, and instead found that on a plain reading of the statute, all that was required was that the Application GI "contains the name of a plant variety or an animal breed".
3. On the facts, the Court found that there was sufficient evidence to show that "Prosecco" was in fact the name of a grape variety based on international reports, such as the EU Regulation 1166 and the Italian Ministerial Decree of 17 July 2009. Wine merchants in Singapore also referred to "Prosecco" as a grape variety.

With respect to the second limb,

1. the Court held that the relevant question was whether the Application GI was likely to mislead consumers into thinking that "Prosecco" wines could only originate from the Specified Region, when in fact their true origin could be other geographical locations.
 - The Court opined that this cohered with the "essential function" of a GI, which was to guarantee to consumers the geographical origin of the goods and the specific qualities inherent in them. A GI would therefore be misleading, and hence unregistrable, if the product could in fact come from a different place.
 - The Court referenced the Research Handbook on EU Agriculture Law, which stated that "[w]here it was shown that the product in question had been traditionally produced exclusively in the specific geographical area, it would be clear that the use of the name as a [protected designation of origin] would not confuse the consumer" (emphasis added).
2. On the facts, the Court agreed with the Opponent that the Application GI would be misleading if "Prosecco" grapes had been cultivated and "Prosecco" wines produced in significant or commercial quantities outside the Specified Region. Consumers were thus likely to be misled by the Application GI into thinking that all "Prosecco" wines originated from the Specified Region in Italy, when in fact some "Prosecco" wines originated from Australia. By contrast, more specific indications such as "Conegliano Valdobbiadene – Prosecco", "Conegliano – Prosecco" and "Valdobbiadene – Prosecco", which are registered as GIs are not misleading. Conegliano and Valdobbiadene are both towns in the Veneto region of Italy and the products could only originate from these places. Accordingly, the Opponent's appeal succeeded on this ground.

The Court's views appear to impart a rather narrow and strict approach that would appear to mean that any indication that does not exclusively indicate a specified geographical area will be considered misleading. The Applicant must be able to show that consumers equate the product with a product which is traditionally produced from that geographical location. However, the Court did concede that as a matter of principle, a GI would not **automatically** become

misleading once the relevant product left its “cradle of origin”, but in this case there were significant or commercial quantities outside the Specified Region to render the Application GI misleading. It would also be interesting to understand how this may be consistent with the fact that the GIA does contemplate and expressly provides mechanisms for the co-existence of conflicting rights (including names of plant varieties), under the Request for Qualification of Rights regime under Section 46 of the GIA.

Section 41(1)(a) Ground – The definition of a geographical indication is not dependent on subjective perception of consumers in Singapore. There was also insufficient evidence to dispute the fact that a given quality, reputation or other characteristic of the goods was essentially attributable to the geographical indication.

The High Court largely agreed with the PAR that the Section 41(1)(a) Ground was not established and 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.

On appeal, the Opponent did not dispute that the Specified Region was a qualifying country. Instead, it argued that “Prosecco” did not fall within the definition of a GI as:

1. the Application GI was not used in the course of trade to identify goods as originating from a place. It claimed that the Court should consider how the indication is perceived by consumers in assessing whether an indication was used to “identify goods”. In this regard, the Opponent argued that “Prosecco” did not satisfy the definition under Section 2(1) of the GIA because consumers in Singapore did not perceive “Prosecco” as denoting wines coming **exclusively** from the specified region; and
2. the quality and reputation of the goods were not attributable to the Specified Region. The Opponent tried to adduce evidence that the qualities and characteristics of “Prosecco” wines were owed to the underlying “Prosecco” grape variety, rather than the interaction of the soil, climate and terrain of the Specified Region.

The Court disagreed with the Opponent and upheld the PAR’s decision that the Application GI fell within the definition of a GI:

1. The Court held that there was no reason to add the word “exclusively” into Section 2(1), or introduce into the section, the perception of the Singapore consumer, both of which were not evident from a plain reading of the provision. On the available evidence, the Court was satisfied that “Prosecco” was an indication used in trade to identify wines originating from the Specified Region, given that it had been protected as a GI within Italy and the EU, as well as a range of other jurisdictions. It was not necessary to consider the perception of consumers in Singapore.
2. The Court also found that the Opponent lacked factual expert evidence in claiming that the qualities and characteristics of “Prosecco” wines were owed to the underlying “Prosecco” grape variety, rather than the Specified Region. The Opponent’s case comprised various legal submissions and an article by legal academics, rather than specific factual evidence by wine experts. The evidence it adduced on the success of exports of Australian “Prosecco” did not lead to any conclusion on the comparison of “Prosecco” from different terrain.

Conclusion

The developments in the present case are indeed thought provoking, and leave was obtained for a further appeal to the Appellate Division. It appears that the battle will continue, and it remains to be seen how the jurisprudence on GIs will continue to develop in Singapore.

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:



Winnie Tham
Director
IP Protection & Management
winnie.tham@amicalaw.com
(65) 6303 6217



Melvin Pang
Director
Litigation & Enforcement
melvin.pang@amicalaw.com
(65) 6303 6220



Marcus Liu
Associate Director
IP Protection & Management
marcus.liu@amicalaw.com
(65) 6303 8391



Christine Saw
Legal Associate
Litigation & Enforcement
christine.saw@amicalaw.com
(65) 6303 8397

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