Law Council
OF AUSTRALIA

Business Law Section

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IP Australia
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By email: sean.applegate@ipaustralia.gov.au

Dear Mr Applegate,

Introduction of protection for geographical indications in Australia

The Intellectual Property Committee of the Business Law Section of the Law Council of Australia (**IP Committee**) would like to thank you for the opportunity that you and a number of your colleagues extended to our Geographical Indications Sub-Committee (**GI Sub-Committee**) to meet with you on 20 July 2021 in order to express some of the views of the IP Committee and to put forward to you suggestions and ideas for the potential implementation of any Australian geographical indications (**GIs**) system.

As mentioned at the conclusion of the meeting, there were a number of comments that suggest that it could possibly be useful or interesting for you and your colleagues to receive some further materials and suggestions from us dealing specifically with the issues and topics that arose during our meeting.

Accordingly, we set out below a small number of topics, together with the suggestions that have been generated by our GI Sub-Committee and endorsed by the wider IP Committee.

1. **Which body or organisation should consider applications to register Australian GIs?**

Considerable thought has been given to the nature of the organisation or body that might consider applications for registration of Australian GIs.

Given that, as history shows in the Australian wine sector, applications for registration of GIs can readily excite the interest of possibly numerous industry players even within a small region, great care needs to be taken to ensure that the body or organisation is:

(i) skilled in the relevant area;

(ii) knowledgeable about GIs; and

(iii) observant of all applicable administrative laws (such as natural justice obligations) attendant upon the creation of valuable rights such as GIs .

On that basis, it is suggested that the appropriate step would be to form, pursuant to the appropriate legislation or quasi-legislation, an Australian GIs Panel, which would consist of a number of panel members who might sit on this panel in rotation or in whatsoever other manner may be chosen for particular applications. The panel for each application would, in our respectful suggestion, include three persons:

(i) a lawyer with a specialised knowledge of GIs and a detailed understanding of administrative law and natural justice principles;

(ii) an industry specialist knowledgeable in the relevant agricultural area that is the subject of any particular GIs; and

(iii) an administrator, possibly from the body chosen to receive and decide upon the registration of GIs and the keeping of a public GI Register (such as IP Australia or a separate body).

It is recommended that any such Panel be required to comply with all aspects of natural justice and other relevant administrative law principles. The body needs to be constituted with a formal structure and transparent publicly available rules.

It is also suggested that any such organisation have a process that informs applicants of the manner in which the Panel operates, so as to ensure that applicants understand what is needed of them in advance of making applications. Obviously, documentation will need to be provided (such as, for example, maps marking out the proposed boundaries of the GI that is the subject of the application, details of the products in question and evidence of the connection between product and place (GI area), as well as any relevant reputation in the GI). Written and oral submissions should be allowed and, due to the nature of GI rights, provisions should also be made to allow for public hearings. Thought ought also to be given to allowing parties to have legal representation as of right (or upon application to the Panel), and the Panel ought to be allowed to establish its own procedures including deciding whether rules of evidence should apply.

Given the nature of GIs as public property rights of potentially significant value, and the very specialised nature of GI law and its many dissimilarities from trade mark laws, it is recommended that the Panel should not be drawn, as a matter of course, from persons with specialised trade mark knowledge or experience, whether as lawyers or administrators or otherwise to avoid confusion between the two areas of jurisprudence.

2. Dissimilarities from certification trade marks

In the course of the recent meeting, there was some discussion about Australia's current approach to protecting GIs (outside of the wine sector), namely through registrations of certification trade marks. Reference was made to the fact that there were a number of organisations which had registered European GIs (amongst others) as certification trade marks. It was suggested that perhaps this was an indication of the suitability of the certification trade mark system for GIs. However, the members of the IP Committee disagree with this approach due to their own experience dealing with clients in relation to GIs.

The principal (if not only) reason why a number of GIs have been registered as certification trade marks in Australia is because Australia's current legislative system for protecting GIs is restricted to wines. The only other means, leaving aside certification trade marks, is to rely on the laws of passing-off or on the Australian Consumer Law, both of which are extremely expensive and provide an unwieldy form of protection. Thus the protection of GIs as certification trade marks is merely that it was the most practical way forward for protecting those GIs.

For the reasons set out below, it is the view of the IP Committee that the certification trade mark system is not an appropriate means by which to protect GIs.

The distinctions between GIs and certification trade marks are many. Some of the more obvious distinctions are as follows:

(i) A trade mark (including a certification trade mark) is a badge of trade source in the sense of signifying that there is some person or entity prescribing and controlling some standard(s) of the qualities of the goods or services.

(ii) In contrast, GIs pertain to and belong to the land, so to speak, and are public (as opposed to private) rights. GIs identify products that have a strong connection with a place. The right to use GIs will be dependent on the place where the agricultural products are grown, raised or otherwise produced. The persons who might have such rights may or will change over time as land owners or users change. The fact that a person might have a right to use a GI will ordinarily change once they have moved from the region in question. That is clearly not the case insofar as a certification trade mark is concerned.

(iii) Certification trade marks can be licensed by a set of rules which can be readily varied over time. GIs are not capable of such flexibility in their rules.

(iv) Certification trade marks can be assigned or the certifying authority might change or go out of business, be liquidated or become insolvent. GIs cannot suffer such a fate. There is no "owner" of the GI and, even if certifying authorities change or cease to exist, the GI will not.

Thus, the certification trade mark process is simply a tool that is currently being used in the absence of an Australian legislative GIs system. As lawyers we are trying to fit square pegs into round holes and, in the respectful view of members of the IP Committee, that is inappropriate.

This is one of the reasons why we are respectfully suggesting that any organisation or body that considers applications for registration of Australian GIs should be a specialist body, not deriving their knowledge or expertise from trade mark law, but rather who have knowledge and expertise of GI matters.

3. Who should have the right to enforce GIs?

During our meeting, one matter that was discussed was the issue of which person or persons should have the right to enforce compliance with registered GIs or to take (civil) actions to protect a misuse of a registered GI.

Reference was made in the course of that meeting to the provisions in the *Wine Australia Act 2013* (Cth) that describe the range of persons (such as persons who are engaged in the manufacture or production of the products in question or which is an organisation whose object or purposes include the promotion of the production of the product in question) (see section 40(k) of the *Wine Australia Act 2013* (Cth)).

On reflection, the IP Committee is of the view that the rights created by any Australian GI system should be able to be enforced by any person, in the same manner that the provisions of the *Australian Consumer Law* can be enforced by any person.
There are strong reasons supporting this approach.

(a) First, as GIs are a public right and pertain to the land and do not belong to any person, consequently they should be able to be protected and enforced by any

person. They are not standard IP rights where it is "the owner" who has the legal rights to protect them.

(b) Secondly, were there to be a requirement for a person to establish some form of standing in order to be entitled to enforce or protect a GI, that could lead to unnecessary complexity and expense in litigating standing disputes.

(c) Thirdly, whilst the enforcement and protection of rights could be given to a Government organisation alone, that risks budgetary or political constraints interfering and the principal beneficiaries of the GI registration, namely the producers, without a remedy.

4. Review Rights

The IP Committee recommends that any Australian GI legislation establishes a clear path for a review of or appeal from any decision of the Panel (or other body). It is a strongly held view that any appeal should not be to the Administrative Appeals Tribunal. One obvious route is (as with appeals from Patent Office or Trade Marks Office Hearing Officers) for appeals to go to the Federal Court of Australia.

5. Criminal Penalties

Whether there should be criminal penalties included in any Australian GI legislation for breaches of the legislation was the subject of considerable discussion at the Law Council IP Sub-Committee meetings, with strong views being expressed for and against. The fact that there were strong and opposite perspectives on this issue reflects that careful consideration should be given as to whether inclusion of criminal penalties is appropriate or necessary.

The IP Committee recommends that stakeholders should be engaged and asked to comment on this specific issue during the public consultation process in relation to any proposed Australian GI legislation.

6. Additional Damages

The IP Committee has also given attention to whether any Australian GI legislation should include the availability of additional damages for infringement of any registered GI rights.

The IP Committee considers that such a remedy would be an important and very valuable tool and endorses consistency across the various IP schemes. General damages under Australian law compensate only for losses actually suffered by the applicant. These are often difficult to establish and small compared to the costs of litigation. They are often much lower than the benefits the infringer has earned and do not adequately reflect the aggravation suffered. As a result, Parliament has provided for the award of additional damages for all the other registered rights systems: trade marks (*Trade Marks Act 1995* (Cth) s 126), copyright (*Copyright Act 1968* (Cth) s 115(4)), patents (*Patents Act 1990* (Cth) s 122(1A)), registered designs (*Designs Act 2003* (Cth) s 75(3)) and PBR (*Plant Breeder's Rights Act 1994* (Cth) ss 56(3A) and 56A(3A)). Additional damages take into account the flagrancy of the infringement and other relevant matters and allow the Court to take into account the benefit the infringer has gained, the need to sanction the violation of the rights and deter others from infringing. Thus the IP Committee strongly endorses any Australian GI legislation incorporating the right for additional damages to be awarded for flagrant unauthorised use of a GI.

7. Wine GIs and the GIs Committee

The IP Committee is cognisant of the fact that there is already an existing Australian scheme for GIs in the wine sector.

However, the IP Committee recommends that if a broad scheme for the creation and protection of Australian agricultural GIs is legislated, and an organisation such as the "Panel" discussed above is created for the purposes of considering applications for registration of Australian GIs, then the wine system of GIs should be merged into the broader scheme.

Naturally that would also mean that the committee that considers applications for registration of wine GIs should be merged into the "Panel" (or whatever the organisation given the power to consider applications may be called).

8. The EU Approach or the USA Approach to GIs

During the discussion, it was asked, perhaps rhetorically, whether Australia should follow an EU approach to GIs or a USA approach.

The IP Committee would, subject to the qualification below, strongly endorse any Australian GI system following the EU approach, and protecting GIs as defined in the TRIPS Agreement. The USA approach does not endorse any protection for GIs *qua* GIs, and even calls its "appellations" for wine regions "American Viticultural Areas".

We would hope that if, as a result of the EU-Australia FTA negotiations, Australia opts to establish its own GI system for agricultural products, that we do so in a "traditional" manner by following the types of approaches used across Europe.

We are certainly not recommending slavishly adopting any of the heavily regulated systems in the EU; rather we recommend that we should not shun adopting a system that does a lot more than merely fix boundaries and nothing else.

Any Australian GI system can offer significant benefits to our agricultural sector, so we should ensure that our legal system is robust and compliant with international norms so that our agricultural businesses are enabled to proudly proclaim that we do have real Australian agricultural GIs.

9. Contact and further consultation

The IP Committee would be pleased to discuss any aspect of this submission.

Please contact the chair of the IP Committee, Matthew Swinn at matthew.swinn@au.kwm.com or on 03 9643 4389, if you would like to do so.

Yours faithfully

Greg Rodgers
Chair, Business Law Section