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When does a Wine Become a "Prosecco"? Singapore Court of Appeal Sets out Approach to Geographical Indications Applications

Introduction

Most of us are familiar with "Champagne" or "Bordeaux" wines. These are known as Geographical Indications ("**GI**"), which are signs or marks used to identify that certain goods originate from a particular region or territory, where a given quality, reputation or other characteristic of the goods is essentially attributable to their geographical origin. In the intellectual property regime, GIs play an important consumer protection role, much like trademarks do, but are far less explored in terms of judicial consideration.

In *Consorzio di Tutela della Denominazione di Origine Controllata Prosecco v Australian Grape and Wine Incorporated* [2023] SGCA 37, the Singapore Court of Appeal ("**Court**") considered an application for the registration of "Prosecco" as a GI in respect of wines in Singapore. This was the first time the Court of Appeal had to consider the operation and interpretation of various provisions under the Geographical Indications Act 2014 ("**GIA**"). The appeal concerned section 41(1)(f) of the GIA, which provides that a GI should not be registered if it contains the name of a plant variety or an animal breed and is likely to mislead the consumer as to the true origin of the product.

The Court allowed the application to register "Prosecco" as a GI, finding that the grounds of opposition had not been made out. In reaching its decision, the Court provided insight on how it would consider GI applications, the purpose of GI protection, and the proper approach to section 41(1)(f) of the GIA.

This Update provides a summary of the case and highlights the key elements of the Court's decision.

Brief Facts

The Appellant was the Consorzio di Tutela della Denominazione di Origine Controllata Prosecco ("**Consorzio**"), an Italian trade body responsible for protecting and generally overseeing the use of the term "Prosecco". The Respondent was Australian Grape and Wine Incorporated ("**AGWI**"), the representative body for grape growers and winemakers in Australia.

The Consorzio applied to register "Prosecco" as a GI in respect of wines in Singapore ("**Application GI**"). The claimed geographical area for the production of "Prosecco" wines was the "North East region of Italy" ("**Specified Region**"). However, AGWI filed a notice of opposition against the registration of the GI. One of the grounds of opposition relied on was section 41(1)(f) of the GIA, which provides that



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"a geographical indication which contains the name of a plant variety or an animal breed and is likely to mislead the consumer as to the true origin of the product" must not be registered. This was because the "Prosecco" grape is also grown outside of the Specified Region, including areas such as Australia.

AGWI's opposition based on section 41(1)(f) was initially dismissed by the Principal Assistant Registrar of Geographical Indications, but was allowed by a Judge of the General Division of the High Court ("**Judge**") upon appeal. The Judge reasoned that the GI would be likely to mislead the consumer as "Prosecco" wines were also being produced in commercial quantities in countries such as Australia.

The Consorzio then appealed to the Court of Appeal against the Judge's decision in relation to section 41(1)(f).

Holding of the Court of Appeal

The Court allowed the Consorzio's appeal, holding that "Prosecco" should be allowed to proceed to registration as a GI.

Proper approach under section 41(1)(f) of the GIA

In interpreting section 41(1)(f), the Court highlighted that consumer protection is one of the key policy considerations underlying the GIA. While the GIA envisions that the names of plant varieties and animal breeds can be used as GIs, this could mislead the consumer as to product origination. This could happen if the plant variety or animal breed is cultivated in large quantities outside of the defined area for which the GI is registered. The GIA thus provides that GIs which contain the name of a plant variety or an animal breed shall not be registered unless it can be shown that the consumer is not likely to be misled.

The Court set out a two-step approach to determining if section 41(1)(f) applies. First, it must be shown that the name of the GI sought to be registered indeed contains the name of a plant variety or an animal breed. This is to be established on an objective basis, and it is sufficient to show that the name in question is recognised as the name of a plant variety or an animal breed by a not insignificant population of people. Evidence of this could come from sources such as reputable scientific journals, legal registers of plant varieties, or from the general usage of the term among a body of consumers or producers.

Once this threshold is crossed, the inquiry turns to whether the Singapore consumer is likely to be misled as to the true geographical origin of the goods. The question to ask is whether the Application GI was likely to mislead consumers into thinking that the goods could only originate from the specified region when, in fact, the goods' true origin could be other geographical locations where the plant variety or animal breed used to make the goods are found.

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The Court set out three non-exhaustive factors to be taken into account in determining whether or not a geographical indication is likely to mislead a Singapore consumer as to the true geographical origin of the product:

- First, whether the average consumer here is even aware that the name in question is indeed the name of a plant variety. The Court explained that if the Singapore consumer is unaware that "Prosecco" is also the name of a variety of plant, then when a Singapore consumer sees the GI "Prosecco", they are only likely to understand that it refers to a wine originating from the Specified Region, and not associate "Prosecco" with a type of grape that is cultivated outside of the Specified Region.
- Next, whether the Singapore consumer is aware that the plant variety in question is involved in the production of the product over which GI protection is sought. If the Singapore consumer does not associate the plant variety with the product in question, then it is unlikely that the consumer would be misled as to the true geographical origin of the product.
- Finally, whether the GI sought to be registered is identical with the name of the plant variety, or whether it also contains other words in addition to the name of the plant variety. Here, the Application GI was "Prosecco" as opposed to "Italian Prosecco".

The Court emphasised that this is a factual inquiry and the above factors serve merely as guidance as to the issues the court would consider in determining if the Singapore consumer is likely to be misled.

Application

Applying the above approach, the Court found that AGWI had not satisfied its burden of proving that the ground of opposition under section 41(1)(f) had been made out.

While AGWI was able to demonstrate that the Application GI contained the name of a plant variety, it was unable to show that the Singapore consumer was likely to be misled by the Application GI. The evidence adduced by AGWI, which was limited to marketing materials and statistics showing the increase in import volumes of Australian "Prosecco" in Singapore, did not establish that the Singapore consumer was likely to be misled by the Application GI at the time the application was made. It did not shed light on the material inquiry of whether, for example, Singapore consumers might be aware that "Prosecco" was also the name of a grape variety used to make wine of the same name.

The Court pointed out that consumer surveys would have been a more direct way of demonstrating whether the Singapore consumer would have been misled. The Court also acknowledged that consumer surveys can be skewed to reach a certain desired result, and highlighted that parties adducing evidence of such consumer surveys should also provide evidence of how such surveys were conducted.

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Concluding Words

The Court's decision provides helpful guidance on how to approach a GI application (or how to oppose a GI application, as the case may be). It highlights the intention behind the GIA and how it seeks to ensure consumer protection.

In particular, the decision demonstrates the approach to section 41(1)(f) of the GIA in determining whether or not a geographical indication contains the name of a plant variety, and if so, was likely to mislead the consumer as to the true origin of the product in respect of which the geographical indication registration was sought. The Court set out the factors that it is likely to consider, as well as the evidence that should be submitted in this regard.

If you have any queries on protecting and enforcing GIs in Singapore, please feel free to approach our team below and we would be more than happy to assist.

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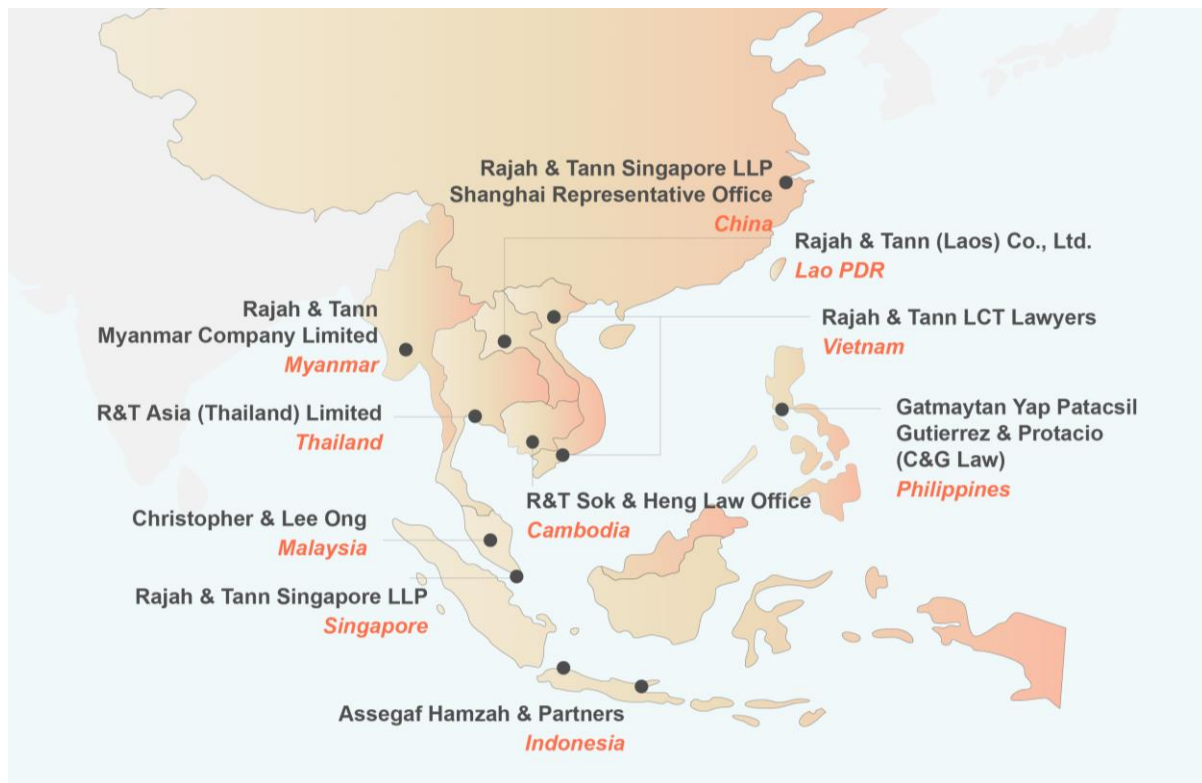
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