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# Overview of Georgian Wine Law

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## Résumé

While Georgia boasts a rich heritage as the birthplace of wine, with a history of production spanning millennia, the legal framework surrounding Georgian vineyards and winemaking is only now beginning to take shape. Governing the industry are a variety of legal instruments, including the dedicated-on vine and wine law of Georgia, alongside broader legislative statutes and specific regulatory directives. In this article, we delve into the national and international guidelines governing the wine sector, drawing from Georgia's legal landscape.

## Introduction

Winemaking is deeply rooted in Georgia's history, culture and economy. The world's first cultivated grapevines are thought to have originated in the country's fertile valleys some 8,000 years ago. The famous 17th century French traveler Jean Chardin wrote that no other country was so rich in the diversity and quality of its wine. It is, therefore, no surprise that wine production is very important for Georgia's economy. Many households depend on revenue derived from it and with a significant proportion of Georgia's wines reaching foreign markets it is a key export earner.

Georgia's long winemaking history has given rise to unique methods of production, such as, wine made according to the "Kakhetian rule", where it is aged and stored in a special cone-shaped clay vessel known as a kvevri. Each kvevri holds between 300 and 500 liters and is placed in the ground to help regulate storage temperature, keeping it between 14 and 15°C. Wines produced in this way are noted for their high extraction

and tannic content, distinctive aroma and unique taste. These traditional production methods co-exist with more modern “European” techniques, resulting in a wide range of flavor profiles.

“Qvevri” are the clay vessels used for making wines according to the traditional Georgian winemaking method. In 2013 UNESCO registered the Qvevri winemaking method on its List of the Intangible Cultural Heritage of Humanity.

Georgia offers excellent soil and climatic conditions for wine production and boasts several wine-producing regions, including, Kakheti, Kartli, Imereti and Racha, each enjoying particular climate and soil conditions that influence the quality of the wines produced. The country is home to over 500 indigenous grape varieties, such as Rkatsiteli, Saperavi, Mtsvane, Khikhvi, Kisi, Tsolikouri, Tsitska, Krakhuna, Aleksandrouli, Ojaleshi, Chkhaveri and Aladasturi as well as a selection of imported varieties including Pinot, Chardonnay and Cabernet Sauvignon. Georgian producers offer wines for every taste - dry to naturally semi-sweet and sweet, dessert and sparkling.

The International Organization of Vine and Wine accepted the proposal of Georgia to add the white wine fermented with long maceration on skins to the categories of OIV special wines in 2017. Until now, the OIV special wine list included seven wines: sparkling wines, carbonated wines, fortified wines, liqueur wines, sweet wines with residual sugar derived from grapes, ‘icewine’, flor or film wines.

Georgian Appellations of Origin for Wine-to date, 18 AO/GI have been registered in Georgia protected by the Association Agriments between Georgia and EU: Tsinandali; Teliani; Napareuli; Vazisubani; Mukuzani; Akhasheni; Gurjaani; Kardenakhi; Tibaani; Kindzmarauli; Manavi; Khvanchhkara; Tvishi; Kvareli; Atenuri; Sviri; Kothekhi; Kakheti (Kakhuri).

The inaugural legislation concerning vines and wine was enacted on June 30, 1998, following the dissolution of the Soviet Union and Georgia's reclamation of its status as an independent, sovereign, and democratic nation. This legislation remains in effect today, having undergone amendments and additions in recent years to align with the stipulations of the Association Agreement and Free Trade Agreement inked in 2014 between Georgia and the European Union. Furthermore, as part of the integration of the Association Agreement into Georgian law, additional statutes such as those governing "Names of Place of Origin and Geographical Indications" and "Trademarks," along with various subordinate normative acts, have been enacted.

## I- GEOGRAPHICAL INDICATIONS (“GI” s)

According to Georgian legislation, the notion of geographical indication is more general and it fully covers the notion of appellation of origin.<sup>1</sup>

The Law on Appellations of Origin and Geographical Indications of Goods enacted in Georgia in 1999, was drafted in conformity with the legal principles and norms applicable in the European Union and protects two kinds of GIs- PDO and PGI.

A geographical indication is a name of a geographical place, or, in exceptional cases, a sign which indicates a certain geographical area (the name of a place or some other designation indicating it) and is used to designate the goods, the specific quality or reputation of which are due to the geographical environment and human factors of that area.

The law<sup>2</sup> defines the designation of origin essentially in the same way as Art. 2 of the Lisbon Agreement, in other words, as a GI designating a product the quality or characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors.

An appellation of origin is a special variety of geographical indication. Unlike a geographical indication, an appellation of origin can be only the name of a geographical place and it can be used to designate such goods, the specific (and not definite) quality and features of which are essentially or exclusively due to the particular geographical environment and human factors. Along with this, the entire cycle linked with the production of goods must take place only within that particular geographical area.

Georgian GIs Law mentioned cover the entire country, including its overseas regions, except the regions of Abkhazia and Samachablo, occupied by Russia. In this regions Russia exercises de facto control.

### A- Wine specific GI laws

In accordance with the legislation of Georgia, in particular article 3, p. h32 of law of Georgia on Vine and Wine, “Wine” is defined as “an alcoholic beverage of grape origin,

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<sup>1</sup> *Law on Appellations of Origin of Goods and Geographical Indications; 22/06/1999. Law of Georgian border measures related to intellectual property, 13/12/2017.*

<sup>2</sup> Law on Appellations of Origin and Geographical Indications, Article 3.

which is obtained through partial or complete alcoholic fermentation of grape, grape juice or crush/pulp.”

According to Georgian law, in particular, paragraph “z” of article 3 of “law of Georgia on Vine and Wine”<sup>3</sup> controlled appellation of origin wine is a wine produced (grapes were grown and processed, wine was made) from species belonging to *Vitis Vinifera* family in the viticulture zone, in the viticulture sub-zone, in the viticulture micro zone or in their united part (hereinafter – geographic place) whose special quality and properties are entirely or mainly due to the natural or human factors characteristic of this geographical place, for the production of which only grapes grown in the mentioned geographical place are used, bearing the name of the same geographical place and registered in Sakpatenti; i) Protected geographical indication wine is a wine produced from species belonging to *Vitis Vinifera* family within the boundaries of the geographical location, which determines its special quality, reputation and other characteristics, for the production of which not less than 85% of the grapes are grown in this geographical place, which has been given the name of the mentioned geographical place and which is registered in Sakpatenti.

Unlike appellation of origin, in the case of geographical indication, the connection of products to geographical place is relatively weak. In this case, it is not necessary that the preparation, processing and production of raw materials take place in the same location. It is enough to meet only one of the conditions, but of course it should be crucial in formation of qualities and reputation of the goods.

## B- GI's Protection by Georgian Legislation

In Georgia wine GIs can be protected directly by special normative acts:

The Law of Georgia “On Appellations of Origin of Goods and Geographical Indications”<sup>4</sup>; The Law of Georgia “On Vine and Wine”<sup>5</sup>; The Law of Georgia “On

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<sup>3</sup> *The GI protection for wines and spirits in Georgia is based on the “Law on vines and wines”, 12/06/1998.*

<sup>4</sup> Law of Georgia on Appellations of Origin of Goods and Geographical Indications, 22/06/1999

<sup>5</sup> Law of Georgia on Vine and Wine, 12/06/1998

Border measures related on intellectual property”<sup>6</sup>; The Law of Georgia “On trademarks”<sup>7</sup>.

In Georgia appellations of origin and geographical indications are protected by their registration at Sakpatenti (according the basis of an international treaty or bilateral agreement). To recognize and register an appellation of origin or a geographical indication, an interested party shall submit to Sakpatenti relevant materials, containing the data on the specific quality and characteristics of the goods and the relation of these characteristics with the geographical area, as well as the description of specific conditions and methods of production (if any).

Following acts are prohibited:

any direct or indirect commercial use of a registered geographical indication in respect of the goods not covered by the registration, insofar as those goods are similar to the registered goods; or any such use of the registered name which exploits the reputation of the registered geographical indication;

any use of a registered geographical indication, which literally correctly designates the place of production of goods, processing or preparing of the raw material, but misleads the public as to the origin of the goods;

the use of such a name or sign, which is an imitation of the registered geographical indication, even in translation, or accompanied with such words as “type”, “style”, “similar”, “as produced in”, “method”, etc.;

the use of an indication, which is misleading consumers as to the place of origin, the essential quality or features of goods, on the packaging, on documents relating to the goods or on an advertising material;

any packaging or presentation of goods which may convey false impression as to their origin.

On an application filed with Sakpatenti shall be carried out examination of formalities and substantive examination. At the stage of examination of formalities, Sakpatenti checks whether the application complies with the requirements of the law.

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<sup>6</sup> Law of Georgia on Border measures related on intellectual property, 13/12/2017

<sup>7</sup> Law of Georgia on trademarks, 05/02/1999

At the stage of substantive examination:

it is determined whether the sign or a word at issue is a sign or a word the registration of which as an appellation of origin cannot be permitted;

it is checked whether the data submitted by the documents attached to an application comply with the requirements of the legislation;

search is performed in the databases of trademarks, geographical indications in order to reveal a probable conflicting sign or name having earlier rights.

If on the basis of substantive examination, it is established that there do not exist grounds for refusal of the registration of a geographical indication, Sakpatenti publishes the application materials in the Bulletin, in one central and one local newspaper.

If within 3 months after the publication of the application materials additional information is submitted to Sakpatenti, this information shall be sent for consideration to the respective branch ministry.

In case if no information is submitted within 3 months from the publication of the application materials, Sakpatenti takes the decision on the registration of the geographical indication, enters the data contained in the application materials in the Register and publishes the information about this in the Bulletin.

The registration of a geographical indication is perpetual. The registration of a geographical indication may be cancelled if due to changing or disappearing of natural or human factors specific for the given geographical area it becomes impossible to produce such goods which would have the quality and features indicated in the Register.

According to the Law of Georgian border measures related to intellectual property<sup>8</sup> the Revenue Service shall protect the rights of a holder or a right with respect to an object of intellectual property using the border measures.

Wine GIs can be protected indirectly in Georgia both the legislation regarding consumer protection by the law of Georgia on consumer rights<sup>9</sup>. It is also possible to base a protective action on art. 4 of Law on consumer rights, concerning certain forms of

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<sup>8</sup> Law of Georgian border measures related to intellectual property, 13/12/2017

<sup>9</sup> Law of Georgia on consumer rights, 20/03/1996.

unfair competition (pratique commerciales trompeuses), dealing in particular misleading advertising<sup>10</sup>.

Also, Infringement of rights on Appellations of Origin of Goods and Geographical Indications shall cause administrative<sup>11</sup> and criminal liability<sup>12</sup>

### C- Foreign wine GI's protection in Georgia

Georgia is signatory of the Lisbon Agreement and its protection system is based on the European regulations.

Georgia is a party to the Paris Convention for the Protection of Industrial Property (Paris Convention), to the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration (Lisbon Agreement) and to the World Trade Organization's (WTO) agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).

Georgia is signed Association Agreement between EU and Georgia in 2014. The Agreement defines the parties' commitments of adequate and effective implementation of international agreements in the field of intellectual property, signed by Georgia and EU, including the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). Moreover, the Agreement requirements fill in and additionally specify the rights and commitments of the Parties in the TRIPS agreement.

The Parties also reinforce their commitments to effectively implement the international agreements administered by World Intellectual Property Organization (WIPO), to which both Parties are parties.

The agreement between Georgia and EU defines the obligatory standards related to intellectual property rights to be met by all the intellectual property categories provided in the articles of the Agreement, such as trademarks and geographical indications<sup>13</sup>.

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<sup>10</sup> Law on consumer rights, Art. 5 and 6.

<sup>11</sup> Administrative offences Code of Georgia, 15/12/1984, Art.158, Illegal using a trademark or GI

<sup>12</sup> Criminal Code of Georgia, 22/07/1999, Art. 196, Illegal using a trademark or GI.

<sup>13</sup> The agreement between Georgia and EU, Chapter 9 – Intellectual Property Rights, Annex XVII – Geographical Indications.

## D- GI's register

Georgia has a national Registry - State Registry of Georgia administrated by the Sakpatenti<sup>14</sup> and Lisbon Registry<sup>15</sup>.

At national level, the registration of a GI is subject to different administrative procedure.

The national system for the recognition and registration of wine GI's is sakpatenti.

The National Intellectual Property Center of Georgia – “Sakpatenti” is a governmental agency – a legal entity of public law. In accordance with the Georgian legislation Sakpatenti determines the policy in the field of intellectual property in Georgia.

The application shall be filed on a paper form or electronically in the Georgian language and shall refer to one appellation of origin or geographical indication.

The application shall include:

a request for the registration of an appellation of origin or a geographical indication;

the full name (title) and address of the applicant;

the appellation of origin or geographical indication;

the name of the goods for which the registration of the appellation of origin or geographical indication is requested;

The following shall be attached to an application:

A document approved by the body authorized by the legislation, which includes:

the description of the goods and the raw material, with the indication of their chemical, physical, microbiological and/or organoleptic and other characteristics;

the description of the location of the geographical area of the origin of goods, with the indication of its exact boundaries;

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<sup>14</sup> The National Intellectual Property Center of Georgia, [www.sakpatenti.ge](http://www.sakpatenti.ge)

<sup>15</sup> These registers are open to public inspection.



the description of the production technology of goods and the conditions and methods of production specific for the relevant geographical area, in case of their existence;

the data confirming that the specific quality and features of the goods of appellation of origin are essentially or exclusively due to the particular geographical environment and human factors;

the data confirming that the specific quality, reputation or other characteristics of the goods are linked to this geographical area.

the document issued by the local administrative body confirming the geographical origin of the goods;

a power of attorney confirming authorization of a representative.

Confirmation of the data, which a document attached to an application shall include, is linked with comprehensive research with the participation of a wide circle of highly qualified specialists. In the field of alcoholic beverages, the authorized body is the Ministry of Environmental Protection and Agriculture of Georgia.

An appellation of origin of goods or a geographical indication of a foreign country is protected on the basis of an interstate agreement. An appellation of origin and a geographical indication protected under an interstate agreement is registered at Sakpatenti. If a geographical indication registered in Georgia, or the name of any geographical area of Georgia is homonymous with a geographical indication protected in another country, the rule of protection and terms of use of such an indication in Georgia is determined by the respective interstate agreement. Usually, in such cases the agreement provides for the addition of the name of the respective country or some other distinguishing sign.

Is possible to protect a Georgian appellation of origin of goods or a geographical indication abroad only after its recognition or registration as such in Georgia.

It is also possible:

to file an application for the registration of an appellation of origin of goods or a geographical indication directly in the relevant office of the respective country;

to file an application to the International Bureau under the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration and to request the protection of a Georgian appellation of origin in the member countries of this agreement;

to protect it on the basis of a bilateral treaty concluded with the country where protection is claimed.

The agreement between Georgia and EU defines the obligatory standards related to intellectual property rights to be met by all the intellectual property categories provided in the articles of the Agreement, such as trademarks and geographical indications<sup>16</sup>.

In addition, in some countries, the legislation of which does not regard geographical indications as subject-matter of legal protection (e.g. USA), their protection is possible as certification marks. For instance, Georgian Appellations of Origin among them “Kindzmarauli” and “Khvanchkara” are protected in the USA as certification marks.

## II- ADVERTISING AND SALES

### A- Wine Sales regulations

Georgia does have specific regulations relating to wine sales, they are mainly: The Law on vine and wine of Georgia<sup>17</sup>- the selling of controlled appellation of origin wine is allowed only in the form of consumer container. The seller is required to have a certificate of conformity for this wine; Order N2-1036<sup>18</sup> „on approval of the rule for the sale of bottled wine in the local consumer market”; General rule on wine production<sup>19</sup>; Law on Consumer Rights<sup>20</sup> - Product safety assessment; placement of safe products on the market; Product-related information<sup>21</sup>; The Administrative Offences Code of Georgia – Violation of the rules for recording and reporting technological processes relating to the production and storage of products in the field of viticulture and winemaking<sup>22</sup>, Selling harmful alcoholic beverages<sup>23</sup>, Selling of wine with a protected designation of origin on a consumer market without packing in a consumer

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<sup>16</sup> Chapter 9 – Intellectual Property Rights, Annex XVII – Geographical Indications.

<sup>17</sup> The Law on vine and wine of Georgia, 30/06/1998, Art 333

<sup>18</sup> Order N2-1036 of the Minister of Environment Protection and Agriculture of Georgia of December 24, 2018

<sup>19</sup> Ordinance of Minister of Environmental protection and agriculture of Georgia N524, 06/11/2018

<sup>20</sup> Law on Consumer Rights, 20/03/1996

<sup>21</sup> Law on Consumer Rights, 20/03/1996, Art. 4,5,6

<sup>22</sup> Administrative Offences Code of Georgia 15/14/1984, Art. 1052

<sup>23</sup> Administrative Offences Code of Georgia 15/14/1984, Article 1793

container or a Certificate of Compliance<sup>24</sup>, Selling of draught wine on a local consumer market without a certificate of compliance or a Declaration of Compliance<sup>25</sup>; The code on the rights of the child<sup>26</sup> – “Protection of the child from alcoholic... and other harmful substances”; The Criminal Code of Georgia<sup>27</sup> – “Production or sale of substandard goods not conforming to safety requirements or performance of law quality work or delivery of law quality services”.

In case of accidents due to the allowance of non-responsible consumption of wine the liability of professionals (bartenders etc) can be regulated by law, but Georgia doesn't specific regulations; not directly, according of the Administrative Offences Code of Georgia<sup>28</sup>- Violating the rules for selling alcoholic beverages Violation of the rules for selling alcoholic beverages by a worker of a commercial or public catering enterprise – shall carry a fine of GEL 200.

Violating the requirements for putting up in a conspicuous place in trade outlets (including, restaurants, cafes and bars) an information banner prohibiting the sale of alcoholic beverages to minors – shall carry a fine of GEL 100 for the trade outlet. Repeated commission of the offence provided for in paragraph “1” or “2” of this article during one year – shall carry a fine a GEL 300 for the trade outlet. Selling alcoholic beverages to a minor – shall carry a fine a GEL 500 for the trade outlet.

The Criminal Code of Georgia<sup>29</sup>– “Production or sale of substandard goods not conforming to safety requirements or performance of law quality work or delivery of law quality services”; The Code on the rights of the child<sup>30</sup>– Protection of the child from alcoholic, narcotic, psychotropic, toxic and other harmful substances - Providing a child with alcoholic, narcotic, alcoholic beverage free of charge or in exchange of money, shall be prohibited. The child may not perform labor in a facility where alcoholic beverages permitted.

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<sup>24</sup> Administrative Offences Code of Georgia 15/14/1984, Article 1796

<sup>25</sup> Administrative Offences Code of Georgia 15/14/1984, Article 1798

<sup>26</sup> Code on the rights of the child, 20/09/2019, Art. 63

<sup>27</sup> Criminal Code of Georgia, 22/07/1999, Art. 251

<sup>28</sup> Administrative Offences Code of Georgia 15/14/1984, Article 155

<sup>29</sup> Criminal Code of Georgia, 22/07/1999, Art. 251.

<sup>30</sup> Code on the rights of the child, 20/09/2019, Art. 63.

## B- Wine Advertising

According to the Law of Georgia on Advertising<sup>31</sup>, Advertising of alcoholic beverages irrespective of their method of dissemination, must not create an impression that consumption of alcohol contributes to the improvement of physical and mental states, or to the success in public life or in sport. Advertising must not discredit the abstinence from consuming alcohol in addition, it must exclude information on their positive curative qualities. Dissemination of advertisement of strong spirit drinks in any form shall be prohibited on avenues, bridges or squares (and within 20m. on the adjacent territory) of cities and other populated points, or on the means of transport.

Addressing the advertisement of alcoholic beverages directly to minors, and dissemination of such advertisements in any form in a cinema and video halls, or radio and television programs and print publications intended for minors, shall be prohibited. Advertising of alcoholic beverages at children's facilities, educational and medical institutions, cultural and sports organizations, and within 100m. from them shall be prohibited. Advertising of alcoholic beverages at sports organizations shall be permitted only if the sports organizations (a stadium, or a gym) host domestic (national/local) or international sports events (except for sports competitions for children).

Advertisement of alcoholic beverages that demonstrates an open container of the beverage or its consumption process, or includes slogans to use them, must be accompanied with the following warning: "Alcohol abuse can damage your health".

Advertising of strong spirit drinks through radio and television, or on the front pages of newspapers and magazine covers shall be prohibited.

According of Georgian legislation<sup>32</sup> Advertising of alcoholic beverages at sports organizations shall be permitted only if the sports organizations (a stadium, or a gym) host domestic (national/local) or international sports events (except for sports competitions for children). In this case the use of the trademark and logos of alcoholic beverages or their producers, and their display on sports outfits and other attributes shall be permitted for advertising alcoholic beverages.

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<sup>31</sup> Law of Georgia on Advertising, 18/02/1998, Art. 8.

<sup>32</sup> Law on Advertising, 18/02/1998, art. 8.

### III- Labelling

According to Law of Georgia on Vines and Wine<sup>33</sup>, the label of a product bottled for the market shall include the following necessary information: Name of product; nominal volume; actual alcohol content; name of protected appellation of origin and geographical indication, as well as indication “controlled appellation of origin” or “protected geographical indication” (should be sequentially), which may be replaced by sign or abbreviation of controlled appellation of origin or protected geographical indication approved by the agency; in the case of special wine – name of the appropriate category; name of the manufacturer country of the product; name and address of the manufacturer of the product, name and address of the bottler, if the manufacturer and bottler of the product are different persons, and in the case of wine or drinks imported to Georgia – name and address of the importer; lot number; noting “contains sulfites”, if the content of sulfites in one liter of product exceeds 10 milligrams.

In addition, the law permits placing the following information on the label<sup>34</sup>: Trademark; name of vine species if the product is produced at least 85% of grapes of the mentioned vine species; year of harvest, if not less than 85% of the wine is produced from grapes harvested in that year; according to the production method: in case of Georgian wine – designation “Georgian wine”; in case of sparkling wine – designation “traditional method”, if the sparkling wine is produced by the bottled method; in case of wine – designation of fermentation and/or aging in a wooden barrel, if the wine was fermented and/or aged in a wooden barrel.

Any information that does not mislead the customer regarding the quality, place of origin, year of harvest, manufacturer, type, style and/or other characteristics of the product is permissible. To include nutritional and/or health claims on a wine label is not obligatory. To include environmental claims on a wine label is not obligatory.

Any information that does not mislead the customer regarding the quality, place of origin, year of harvest, manufacturer, type, style and/or other characteristics of the product is permissible.

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<sup>33</sup> Law of Georgia on Vines and Wine, Art.31.

<sup>34</sup> Law of Georgia on Vines and Wine, Art.32.

## **IV- DISTRIBUTION**

In Georgia there is no strict regulation concerning the sale and distribution of wines. There is no state monopoly in Georgia. Wine can be sold by the producer directly to consumers, but can also be sold via wholesalers, agents, distributors or retailers<sup>35</sup>.

However, there are strict customs rules governing the storage, sales, import and export, and taxation of alcoholic products, including with regard to declaration obligations, product traceability, accompanying documents etc. The Georgian Tax Code contains a complex classification of wines and spirits, rates of excise duties and so forth<sup>36</sup>.

The local consumer market is monitored, which includes checking label and certificate, taking samples by selective method and carrying out of the state control in terms of food safety<sup>37</sup>.

Wine sales are free and unregulated regardless of the person/professional capacity of the seller.

Wine and alcohol in general cannot be sold to children under the age of 18<sup>38</sup>. Amended by the law<sup>39</sup> – Protection of the child from alcoholic, narcotic, psychotropic, toxic and other harmful substances - Providing a child with alcoholic, narcotic, alcoholic beverage free of charge or in exchange of money, shall be prohibited. The child may not perform labor in a facility where alcoholic beverages permitted.

## **V- DISPUTE RESOLUTION**

Special law on e-commerce was adopted on June 6, 2023. The Law elaborated by Georgia in the frame of engagement of “Deep and Comprehensive Free Trade Agreement” (DCFTA) between EU and Georgia. The Law on e-Commerce regulates the rights and obligations of intermediary service providers in the e-Commerce process,

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<sup>35</sup> Georgian Law on Entrepreneurs, 01.01.2022

<sup>36</sup> Tax Code of Georgia, 12/10/2010

<sup>37</sup> According of the law of Food Products/Animal Feed Safety, Veterinary and Plant Protection Code of Georgia, 08/05/2012

<sup>38</sup> Law of Georgia - Code on the rights of. The child, 20/09/2019

<sup>39</sup> Law of Georgia - Code on the rights of. The child, 20/09/2019, Art.63

as well as protect consumers by making information services more transparent and standardized.

The purpose of the Law, among others, is to establish mechanisms for protecting the rights of service recipients and to determine the obligation of service providers to provide minimum information during e-commerce transactions. It also sets forth specific requirements for commercial messages. For example, the content of commercial message and the person on whose behalf the commercial message is sent must be identifiable.

Furthermore, according to the Law information shall in all cases be provided in Georgian language. However, the information provider may decide to use foreign language in addition.

The Law introduces new regulation of intermediary service providers. Such entities are those who provide information to consumers only through technical means, such as telecom operators and e-commerce platforms. The providers are exempted from liability in cases where they are not involved in the content of commerce themselves.

The competence to enforce the Law was assigned to the National Competition Agency of Georgia, which has right to hear and decide on the consumer complaints in the field. Violation of the Law may lead to administrative liability of provider. Monetary penalty is capped at 2% of the annual turnover of the previous year. Repeated violation during twelve months may result in imposing the fine of the double amount.

General commercial rules apply, in particular concerning business to consumer relationships are based on a Georgian legislation: Civil Code of Georgia<sup>40</sup> and the Law on Consumer Rights - Product safety assessment; placement of safe products on the market; Product-related information<sup>41</sup>.

Georgia has no specific rules or requirements relating to arbitration or mediation of commercial disputes that may apply to wine – related matters. The national legislation provides specific alternative methods for the settlements of the commercial disputes that may apply to wine - related matters, such as arbitration. The legislation regarding arbitration and mediation may apply to wine-related disputes, if the parties conclude an arbitral agreement and respect the general requirements for arbitration.

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<sup>40</sup> Civil Code of Georgia, art.50 transactions, Art. 69 form of transaction.

<sup>41</sup> Law on Consumer Rights, 20/03/1996, Art. 4,5,6.

Wine related online disputes can be solved through mediation in accordance with the law of Georgia on mediation<sup>42</sup>, arbitration in accordance with the law of Georgia on arbitration<sup>43</sup> or in Courts of Georgia, in accordance with the Civil Code of Georgia<sup>44</sup> and Civil Procedure Code of Georgia<sup>45</sup>.

## **VI- Wine Administration Organizations**

There are two governmental Institutions in the Georgian wine world - LEPL National Wine Agency<sup>46</sup> - Legal Entity of Public Law under the Ministry of Environmental Protection and Agriculture of Georgia, created under the Law of Georgia on Vine and Wine and National Intellectual Property Center “Sakpatenti”.

The National Wine Agency carries out its activities through the permanent contact with the Ministry of Agriculture and cooperation with the state and private companies operating in the wine industry:

- Control and certification of wine production quality;
- Georgian wine promotion and progress of awareness;
- Promotion of the growth of export potential;
- Research and promotion of Georgian vine and wine culture;
- Creation of cadastral department registry of vineyards;
- Promotion of organized vintage conduction.

The National Intellectual Property Center of Georgia “Sakpatenti” is a governmental agency – a legal entity of public Law. In accordance with the Georgian legislation, Sakpatenti determines the policy in the field of intellectual property.

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<sup>42</sup> Law of Georgia on mediation, 18/09/2019

<sup>43</sup> Law of Georgia 19/06/2009 on arbitration.

<sup>44</sup> Civil Code of Georgia, 24/07/1997.

<sup>45</sup> Civil Procedure Code of Georgia, 14/11/1997.

<sup>46</sup> <https://wine.gov.ge>



## **Conclusion**

During the last two decades, the Georgian wine industry has achieved rapid development and faced many opportunities and challenges. To ensure the safety of wine products and the healthy development of the wine industry, relevant Georgian administration authorities have established a wine standard system based on in-depth research on the Georgian wine industry and pivoted around the Food Safety Law, and other relevant regulations.

This legal framework standardizes all aspects of the wine industry from land to table, covering raw materials, products, hygiene, analytical methods, net content and labeling, enterprise construction and production, related products and equipment, environmental protection, and product circulation. Meanwhile, some regulations on the management of wine production and circulation have been enacted to supervise the behavior of winemakers during production and distribution. However, there are still many aspects of Georgia's wine policy that need to be strengthened, such as improving the grading system for product quality, developing industrial informatization and mechanization. Government support is also needed to push forward the amendment and improvement of wine laws and standards and help the Georgian wine industry better cope with adjustment and upgrading to increase wine consumption and promote the sustainable development of the industry.