

## Why the TRIPS challenges to plain packaging will fail

*\*Mark Davison*



There are multiple reasons why I think the challenges will fail. They include the following:

1. The WTO has already found in a TRIPS dispute that there is no right to use a trademark, only a right to prevent others from using your trademark.  
[http://wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds290\\_e.htm](http://wto.org/english/tratop_e/dispu_e/cases_e/ds290_e.htm).
2. Article 16 of TRIPS only confers a right to prevent others using a trademark. Article 17 which provides for exceptions only relates to exceptions to the right to prevent others from using a trademark. Neither provision is relevant to restrictions on use of trademarks by trademark owners. There are good reasons why there is no right to use a trademark.  
[http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2137455](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2137455)
3. Much is made of the obligation to register trademarks in some circumstances referred to in Article 15. The legislation does not prevent the registration of tobacco trademarks and protects existing registrations from removal.
4. There are no words within either TRIPS or the Paris Convention (some provisions of which are incorporated into TRIPS) justifying the view that there is a right to use a trademark.
5. The only argument is that the legislation unjustifiably encumbers by special requirements the use of trademarks in the course of trade within the meaning of Article 20 of TRIPS.
6. For multiple reasons, the prohibition on the use of non-word trademarks (the logos and other artwork etc) does not constitute 'special requirements' as special requirements relate to the manner in which trademarks are used rather than a prohibition on their use. Consequently, the ban on the use of non-word trademarks is not within the scope of Article 20 at all.  
[http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2009115](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2009115). Even if the ban is within the scope of Article 20, the measures are still justifiable.  
[http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1874593](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1874593).
7. The complainant nations have the onus of proving that the special requirements relating to the use of word trademarks are unjustified. The onus is not on Australia to prove that they are justified. [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1874593](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1874593)
8. The special requirements imposed on word trademarks are to limit their font size, their font face, the colour in which they appear and the background colour that they are displayed against. In light of existing restrictions such as prohibitions on point of sale display and other advertising and promotion, the new measures for word trademarks are not particularly onerous. They are easily justified.
9. Justification within the meaning of Article 20 is NOT constrained by any fixed principles. For example, other provisions, such as Article 17 of TRIPS, require consideration of the 'legitimate interests of trademark owners'. As those considerations are not stated in Article 20, those

considerations do not need to be accommodated by the measures in question. Arguments that Article 17 factors should be incorporated into Article 20 are wrong.

10. Justification is a broader concept than necessity and more easily demonstrated than necessity. In any event, Article 8 of TRIPS permits measures 'necessary for public health that are consistent' with the other provisions in TRIPS. The discretion introduced by the word 'unjustifiably' in Article 20 means that measures necessary for public health will be both justifiable and consistent with TRIPS.
11. The WTO decisions relating to 'necessary for human health', a provision in the GATT Agreement, confer very considerable discretion on WTO members as to how they go about achieving health objectives. Those decisions would be relevant to interpreting 'necessary for public health' in TRIPS.
12. Among other things, Australia does **NOT** have to prove that these measures **will** work. It simply has to put together a valid case of good prospects that they will work.
13. Complainant nations would have to demonstrate, among other things, that there is a less trade restrictive alternative that will achieve the same result and the objectives of the legislation are drafted very specifically to target tobacco packaging as a means of promotion of tobacco. Given Australia has already banned all other forms of advertising, engaged in lengthy and expensive public education campaigns, taxed tobacco products, banned point of sale display and banned smoking in most indoor workplaces and many public spaces, those nations have to indicate and provide evidence for alternative measures to plain packaging other than those measures already introduced.
14. The measures do not discriminate between nations, so there is no argument based on national treatment or most favoured nation status.
15. The WTO has emphasised the need to interpret TRIPS in the light of public health requirements in the Doha Declaration  
[http://www.wto.org/english/thewto\\_e/minist\\_e/min01\\_e/mindecl\\_trips\\_e.htm](http://www.wto.org/english/thewto_e/minist_e/min01_e/mindecl_trips_e.htm) and the Framework Convention on Tobacco Control, <http://www.who.int/fctc/en/>, now ratified by over 170 countries, recommends plain packaging in its guidelines  
[http://www.who.int/fctc/protocol/guidelines/adopted/article\\_11/en/index.html](http://www.who.int/fctc/protocol/guidelines/adopted/article_11/en/index.html). Various WTO decisions have emphasised the importance of human health eg  
[http://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds332\\_e.htm](http://www.wto.org/english/tratop_e/dispu_e/cases_e/ds332_e.htm).
16. The tobacco industry is very confident it will fail. Its own internal legal advice said so in 1994 even before the decisions and events referred to in point 15  
<http://legacy.library.ucsf.edu/tid/xfl70g00/pdf?search=%22gatt%20trips%20little%20joy%22>

\*Professor Mark Davison teaches Intellectual Property, Trade Mark and Commercial Law in both postgraduate and undergraduate programs at Monash University.