



“The Fundamental Role of Trademarks and Trade Dress in the  
Prompt Identification of Products and its Importance in Trade Laws”  
(Plain Packaging)

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## What is Plain Packaging? ("Standardised packaging")



- a prescribed shape, size and colour of packaging
- a prohibition of all branding and promotional elements (100% AU)
- no graphical elements allowed to use (100% AU)
- a prescribed plain display of the brand name
- no product view

## Q151 Resolution in 2000 (Sorrento ExCo)

- Social policy may justify certain advertising restrictions, but
  - should not constitute any obstacle to the acquisition of trademark rights for the relevant goods or services
  - should not constitute an independent ground for any action for cancellation of a trademark registration
  - does not justify that the reputation, or the degree of distinctive character based on use, attaching to a trademark effective for the products or services affected by the restriction on advertising in question, be assessed in any other manner than is generally applicable to trademarks.

- Countries have a right to impose restrictions in order to promote public health objectives
- Should be 50% or more of the principal display areas, but shall be no less than 30% of the principal display areas

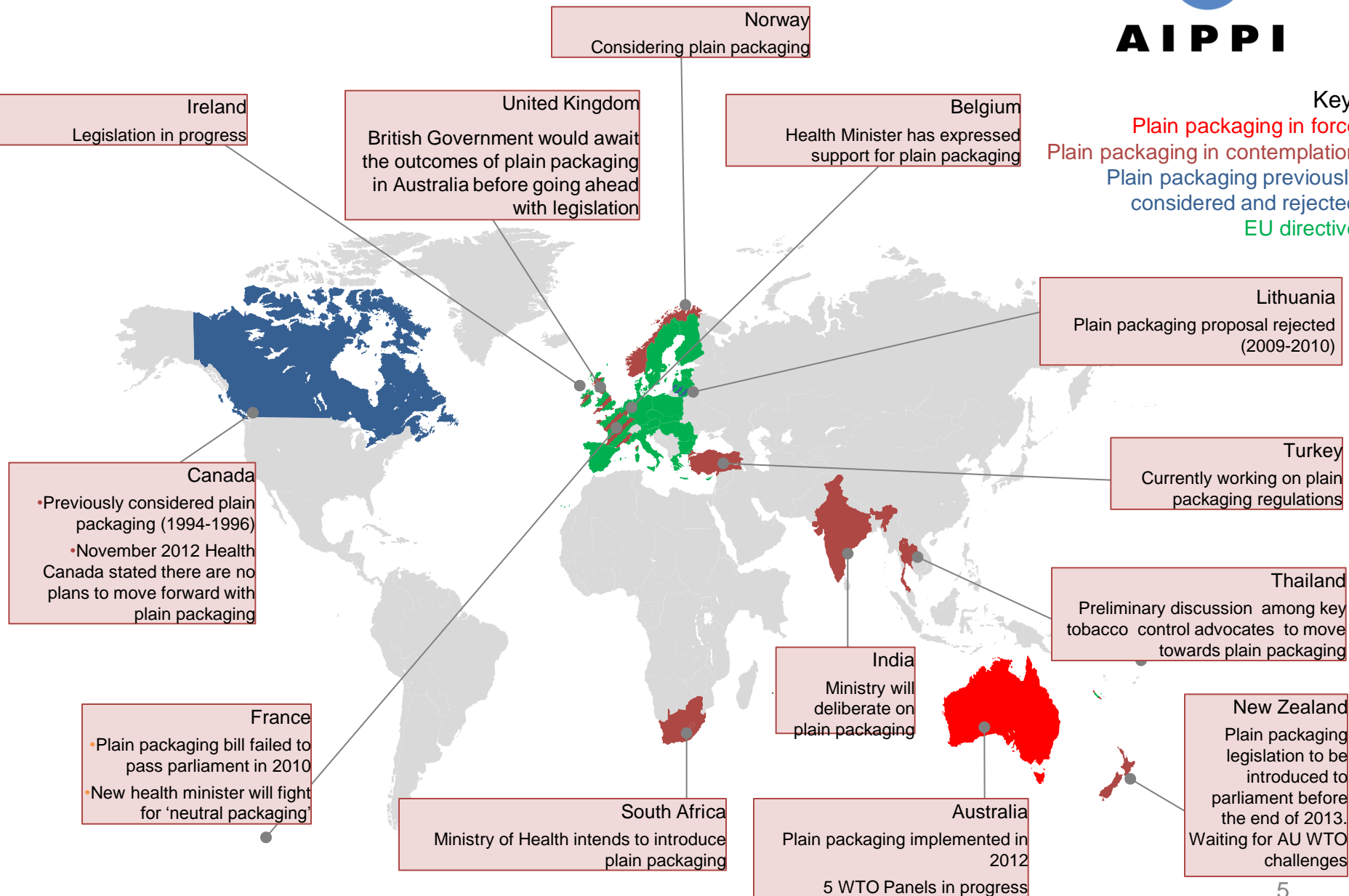
Key:

Plain packaging in force

Plain packaging in contemplation

Plain packaging previously considered and rejected

EU directive



# The Australian case history: Australian Tobacco Plain Packaging Act 2011

- **Objects:**
  - Improve public health
  - To give effect to obligations under the Convention on Tobacco Control
  - To be achieved by:
    - Reducing the appeal of tobacco products
    - Increasing the effectiveness of health warnings
    - Reducing the ability of packaging to mislead consumers



# The Australian case history: Retail packaging

## Physical features

- No decorative ridges, embossing, etc
- Prescribed shape, dimensions and materials

## Colour and finish

- All outer/inner surfaces must be a matt finish
- All outer surfaces in Pantone 448C
- All inner surfaces white
- Exceptions for health warnings, brand etc and variation name



## Prohibition on trade marks

- No trade marks / marks other than brand, business or company name and variant name

## Requirements for brand, business, company, variant name

Brand etc and variant name must be printed:

- in specified size, font and position
- in Pantone Cool Gray 2C
- measurement marks similarly prescribed (font, size, position etc)

## Other requirements

- Wrappers must be clear plastic
- No inserts/onserts
- No noise or scent
- Appearance must not change after sale



# To Drive or not to Drive (Plain Signage)





# The Australian case history:

## Acquisition of property on just terms



- TPP Act section 15(1) :
  - ‘This Act does not apply to the extent (if any) that its operation would result in an acquisition of property from a person otherwise than on just terms’
- Australian Constitution - section 51(xxxi):
  - ‘The Parliament shall...have power to make laws...with respect to...the acquisition of property on just terms from any State or person for any purpose in respect of which the Parliament has power to make laws’

# High Court of Australia — Judgment



Are trade mark rights 'property'?	Does the TPP Act 'take' property.*	Does the TPP Act confer a benefit?*	Does the TPP Act result in an acquisition of 'property'?
✓	✓	X	X (6:1)

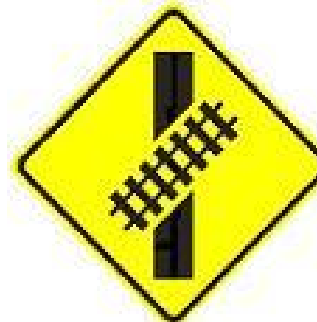
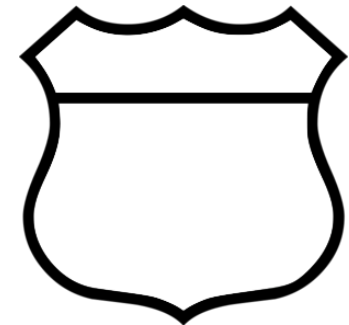
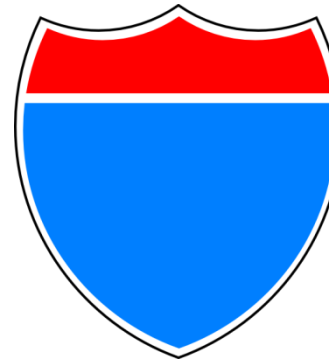
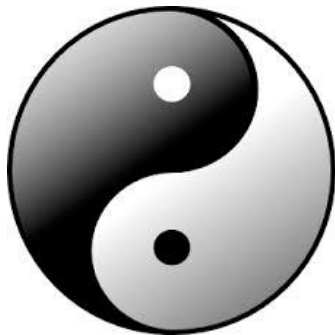
- \*'Taking involves a deprivation of property seen from the perspective of its owner. Acquisition involves receipt of something seen from the perspective of the acquirer.' (French CJ, para 42)

# Questions -AU

- Is a trademark a property right?
  - Yes
- Is it “expropriation” of that right?
  - Yes
- Should there be compensation?
  - Yes

# I Do What I Want Any Old Time!

**100 %** plain packaging goes beyond the advertising restrictions and packaging and labeling prescriptions relating most commonly to tobacco, alcohol, food and pharmaceutical products.



## WTO Challenges – 2014 Current Status

- 5 Complainants vs. 1 Defendant:
  - Cuba, Dominican Republic, Honduras, Indonesia, Ukraine vs. Australia
- 36 Third Parties
- Panel composed (May 2014)
  - Alexander Erwin, Francois Dessemontet, Billie Miller
    - Decision + Appeal (2016)



# WTO Challenges – Ukraine

## Key facts [back to top](#)

Short title:	Australia – Tobacco Plain Packaging (Ukraine)
Complainant:	Ukraine
Respondent:	Australia
Third Parties:	Argentina; Brazil; Canada; Dominican Republic; Ecuador; European Union; Guatemala; Honduras; India; Indonesia; Japan; Korea, Republic of; New Zealand; Nicaragua; Norway; Oman; Philippines; Singapore; Chinese Taipei; Turkey; United States; Uruguay; Zambia; Zimbabwe; Chile; China; Cuba; Egypt; Malaysia; Mexico; Moldova, Republic of; Nigeria; Peru; Thailand; Malawi
Agreements cited: (as cited in request for consultations)	Intellectual Property (TRIPS): Art. <a href="#">1.1</a> , <a href="#">2.1</a> , <a href="#">15</a> , <a href="#">15.1</a> , <a href="#">15.4</a> , <a href="#">16</a> , <a href="#">16.1</a> , <a href="#">16.3</a> , <a href="#">20</a> , <a href="#">1</a> , <a href="#">27</a> Technical Barriers to Trade (TBT): Art. <a href="#">2.2</a> GATT 1994: Art. <a href="#">I</a> , <a href="#">III:4</a> Technical Barriers to Trade (TBT): Art. <a href="#">2.1</a> Intellectual Property (TRIPS): Art. <a href="#">3.1</a>
<a href="#">Request for Consultations</a> received:	13 March 2012

# WTO Challenges – Honduras



## Key facts [back to top](#)

Short title:	Australia – Tobacco Plain Packaging (Honduras)
Complainant:	Honduras
Respondent:	Australia
Third Parties:	Argentina; Brazil; Canada; Chile; China; Cuba; Dominican Republic; European Union; India; Indonesia; Japan; Korea, Republic of; New Zealand; Nicaragua; Nigeria; Norway; Oman; Panama; Philippines; South Africa; Chinese Taipei; Thailand; Ukraine; United States; Uruguay; Zimbabwe; Guatemala; Singapore; Guatemala; Malawi; Malaysia; Mexico; Singapore; Turkey; Zambia; Peru
Agreements cited: (as cited in request for consultations)	Intellectual Property (TRIPS): Art. <a href="#">2.1</a> , <a href="#">3.1</a> , <a href="#">15.4</a> , <a href="#">16.1</a> , <a href="#">20</a> , <a href="#">22.2(b)</a> , <a href="#">24.3</a> Technical Barriers to Trade (TBT): Art. <a href="#">2.1</a> GATT 1994: Art. <a href="#">III:4</a>
<a href="#">Request for Consultations</a> received:	4 April 2012



# WTO Challenges – Dominican Republic



## Key facts [back to top](#)

Short title:	
Complainant:	Dominican Republic
Respondent:	Australia
Third Parties:	Argentina; Brazil; Canada; Chile; European Union; Guatemala; Honduras; India; Japan; Korea, Republic of; Malaysia; Mexico; New Zealand; Nicaragua; Norway; Philippines; Russian Federation; Singapore; Chinese Taipei; Thailand; Trinidad and Tobago; Turkey; Ukraine; United States; China; Nigeria; Indonesia; Peru; Saudi Arabia, Kingdom of; South Africa; Cuba; Uruguay; Zimbabwe
Agreements cited: (as cited in request for consultations)	Intellectual Property (TRIPS): Art. <a href="#">2.1</a> , <a href="#">3.1</a> , <a href="#">15.4</a> , <a href="#">16.1</a> , <a href="#">20</a> , <a href="#">22.2(b)</a> , <a href="#">24.3</a> Technical Barriers to Trade (TBT): Art. <a href="#">2.1</a> , <a href="#">2.2</a> GATT 1994: Art. <a href="#">III:4</a>
<a href="#">Request for Consultations</a> received:	18 July 2012

# WTO Challenges – Cuba



## Key facts [back to top](#)

Short title:	
Complainant:	Cuba
Respondent:	Australia
Third Parties:	Argentina; Brazil; Canada; Chile; Dominican Republic; European Union; Guatemala; Honduras; India; Japan; Korea, Republic of; Malaysia; Mexico; New Zealand; Nicaragua; Norway; Philippines; Russian Federation; Singapore; Chinese Taipei; Thailand; Turkey; Ukraine; United States; China; Nigeria; Indonesia; Peru; Saudi Arabia, Kingdom of; South Africa; Uruguay; Zimbabwe
Agreements cited: (as cited in request for consultations)	GATT 1994: Art. <a href="#">III:4</a> , <a href="#">IX</a> Technical Barriers to Trade (TBT): Art. <a href="#">2.1</a> , <a href="#">2.2</a> Intellectual Property (TRIPS): Art. <a href="#">3.1</a> , <a href="#">15.4</a> , <a href="#">16.1</a> , <a href="#">20</a> , <a href="#">22.2(b)</a> , <a href="#">24.3</a>
<a href="#">Request for Consultations</a> received:	3 May 2013

# WTO Challenges – Indonesia



## Key facts [back to top](#)

Short title:	Australia – Tobacco Plain Packaging (Indonesia)
Complainant:	Indonesia
Respondent:	Australia
Third Parties:	Brazil; Canada; China; Cuba; European Union; Guatemala; Honduras; India; Japan; Korea, Republic of; Malaysia; Mexico; New Zealand; Nicaragua; Norway; Oman; Philippines; Russian Federation; Chinese Taipei; Thailand; Turkey; Ukraine; United States; Uruguay; Zimbabwe; Dominican Republic; Peru; Singapore; Argentina; Chile; Malawi; Nigeria
Agreements cited: (as cited in request for consultations)	Technical Barriers to Trade (TBT): Art. <a href="#">2.1</a> , <a href="#">2.2</a> Intellectual Property (TRIPS): Art. <a href="#">2.1</a> , <a href="#">3.1</a> , <a href="#">15.4</a> , <a href="#">16.1</a> , <a href="#">16.3</a> , <a href="#">20</a> , <a href="#">22.2(b)</a> , <a href="#">24.3</a> GATT 1994: Art. <a href="#">III:4</a>
<a href="#">Request for Consultations</a> received:	20 September 2013

# TRIPS Art 8 – Principles



- Members may, in formulating or amending their laws and regulations, adopt measures necessary to protect **public health** and nutrition, and to promote the public interest in sectors of vital importance to their socio-economic and technological development, **provided that such measures are consistent with the provisions of this Agreement.**

## Protectable Subject Matter

- Any sign, or any combination of signs, capable of **distinguishing** the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark.
- [...] Members may make registrability depend on **distinctiveness** acquired through **use**. Members may require, as a condition of registration, that signs be visually perceptible

# TRIPS Art 15(4) (also, Art 7 Paris Convention)



- Nature of goods or services shall not form an obstacle to registration

# TRIPS Art 16

## Rights Conferred

- The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those [USED] in respect of which the trademark is registered where such use would result in a likelihood of confusion [WITH OTHER'S USE]. In case of the use of an identical sign [USED BY OTHER] for identical goods or services, a likelihood of **confusion** shall be presumed.



# To Know or not to Know (Plain Confusion)



- **What Happens to Well-Known Marks?**
  - 16 2. In determining whether a trademark is well-known, Members shall take account of the knowledge of the trademark in the relevant sector of the public, including **knowledge** in the Member concerned which has been obtained as a result of the promotion of the trademark.
  - Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks (1999)
    - **USE: 86 matches**
  - Joint Recommendation Concerning Provisions on the Protection of Marks, and Other Industrial Property Rights in Signs, on the Internet (2001)
    - **USE: 394 matches**

# TRIPS Art. 17 - Exceptions



- Limited exceptions to trademark rights may be imposed provided that legitimate interests of trademark owner and third parties are taken into account
- Remember Article 8 - Principles
  - “such measures are consistent with the provisions of this Agreement”

## TRIPS Art 20 – Other Requirements



- The use of a trademark in the course of trade shall not be unjustifiably encumbered by special requirements, such as **use** with another trademark, **use** in a special form or use in a manner detrimental to its capability to **distinguish** the goods or services of one undertaking from those of other undertakings.

## TRIPS Art 31 h) re – patents



- the right holder shall be paid adequate remuneration in the circumstances of each case

## Technical Regulations and Standards (TBT)

### Art. 2.2

Members shall ensure that technical regulations are not prepared, adopted or applied with a view to or with the effect of creating unnecessary obstacles to international trade.

For this purpose, technical regulations shall not be more trade-restrictive than necessary to fulfil a legitimate objective, taking account of the risks non-fulfilment would create.

(LACK OF DISTINCTIVENESS)



# EU Tobacco Products Directive 2014/40



## EU Tobacco Products Directive (2001/37/EC)

- **2010** - proposal to require plain packaging
  - AIPPI made submissions against, noting its concerns that this could lead to restrictions for trademarks on other products
- **2012** - option for member states to introduce
- **2014** - Directive entry into force in May 19 (2014/40/EU)
  - Member States - 2 Years to be transposed

# EU Tobacco Products Directive 2014/40



- Requires that health warnings appear on packages of tobacco and related products. Combined (picture and text) health warnings must cover **65%** of the front and back of cigarette and roll-your-own tobacco packages,



# AIPPI Resolution Q212

## September 2013 - Helsinki



1. The use of a trademark by a trademark right holder on products or packaging thereof should in principle not be restricted in the sense contemplated by plain packaging.

# AIPPI Resolution Q212

## September 2013 - Helsinki



2. Exceptionally such use may be restricted for public interest reasons, if:

i) It is **documented** that such public interest reason exists and the restriction at issue will likely have the intended effect; and

ii) The **restriction is neither disproportionate, nor unreasonable** (and there are thus no reasonable alternatives); and

# AIPPI Resolution Q212

## September 2013 - Helsinki



- iii) The public interest reason outweighs other interests :
- ✦ the interest of consumers to distinguish products,
  - ✦ the interest in limiting trade in counterfeit goods,
  - ✦ the interest in legal certainty and
  - ✦ the interest of trademark right holders to protect their investment in trademarks registered or acquired in good faith and lawfully.

# AIPPI Resolution Q212

## September 2013 - Helsinki



- 3. A restriction in the sense contemplated by plain packaging should not constitute an obstacle to an application to register or registration of a trademark, for those products, nor should it constitute a ground for cancellation.
- 4. Non-use or limited use of a trademark by reason of plain packaging should not provide a basis for cancellation of a registered trademark under Article 5C Paris Convention.

# To Know or not to Know (Plain Confusion)

- Almighty Store Clerks
  - Powerless Consumers
  - Hidden Products
  - Vanishing Fame
  - Poor Quality Control
- 
- Plain Confusion +%
  - Plain Information -%
  - Plain Decisions -%
  - Plain Competition -%
  - Plain Distinctiveness -%





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