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INTELLECTUAL PROPERTY • BRANDS • TECHNOLOGY • ANTI-TRUST

Plain Packaging and Intellectual Property Rights

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Plain Packaging ?



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Plain Packaging



WHO Framework Convention on Tobacco Control

The 6 MPOWER measures are:

Monitor tobacco use and prevention policies

Protect people from tobacco use

Offer help to quit tobacco use

Warn about the dangers of tobacco

Enforce bans on tobacco advertising, promotion and sponsorship

Raise taxes on tobacco.

The Tobacco Products Directive (2014/40/EU)

- entered into force on 19 May 2014
- applicable in EU countries on 20 May 2016.

International Treaties

Paris Convention

Article 7 (Marks: Nature of the Goods to which the Mark is Applied)

The nature of the goods to which a trade mark is applied shall in no case form an obstacle to the registration of the mark.

However – The Paris Convention for the most part neither defines the rights nor guarantees any minimum level of protection for these rights.

International Treaties

- TRIPS

Article 20

“The use of a trademark in the course of trade shall not be unjustifiably encumbered by special requirements, such as use with another trade mark, 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.”

International Treaties

The Technical Barrier to Trade Agreement

Article 2

“..ensure that technical regulations are not prepared, adopted or supplied 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. Such legitimate objectives are, inter alia, national security requirements; the prevention of deceptive practices; protection of human health or safety, animal or plant life or health, or the environment.”

ECTA's Position Paper

“Plain packaging requirements would prohibit any use of the trade marks affected for the purpose of informing consumers, in any meaningful way, of the trade source of the products. Indeed, the end consumer, to whom the trade marks are intended to benefit, must be able to identify the goods.”

Australia

2012

Australia was the first country to implement plain packaging law for tobacco products.

WTO case

WTO Panel Report

- 28 June 2018 – Panel Report on Australia Plain Packaging
- Parties:

WTO Panel Report

- TRIPS Art 15.4, 16.1, 16.3, 20, 22.2(b), 24.3
- Paris Convention Art 6quinquies, 10*bis* (both as incorporated into TRIPS, Art 2.1)
- Technical Barriers to Trade (TBT) Art 2.2

Panel Findings (1)

- Is Australia's tobacco plain packaging measures (TPP) more trade restrictive than necessary?

No.

The TPP measures are not inconsistent with Article 2.2 of the TBT Agreement.

International Treaties

The Technical Barrier to Trade Agreement

Article 2

*“..ensure that technical regulations are not prepared, adopted or supplied 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. Such legitimate objectives are, inter alia, national security requirements; the prevention of deceptive practices; **protection of human health** or safety, animal or plant life or health, or the environment.”*

Panel Findings (2)

- Are the TPP measures inconsistent with Art 6quinquies of the Paris Convention?

No.

Not file and protect “as is” every trademark duly registered in the country of origin.

Panel Findings (3)

- Are tobacco products an obstacle to registration of a trade mark?

No.

Tobacco products do not form an obstacle to the registration. Not in violation of Article 15.4 of the TRIPS Agreement

Panel Findings (4)

- Do the TPP measures stop the owner of a registered tobacco TM from preventing unauthorised use of its tobacco TM? (e.g. likelihood of confusion)

No.

They do not stop the owner from taking action where third parties' use would result in a likelihood of confusion.

The TPP measures are not inconsistent with Article 16.1 of the TRIPS Agreement

Panel Findings (5)

- Preventing TM from acquiring “well-known” status?

No, the TPP measures do not prevent tobacco trademarks from acquiring “well-known” status, and prevent already “well-known” trademarks from maintaining that status.

Therefore not inconsistent with Article 16.3 of the TRIPS Agreement

Panel Findings (6)

- Do the TPP measures unjustifiably encumber the use of a tm?

No.

Therefore not inconsistent with Article 20 of the TRIPS Agreement

International Treaties

- TRIPS

Article 20

*“The use of a trademark in the course of trade shall not be **unjustifiably encumbered** by special requirements, such as use with another trade mark, 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.”*

Panel Findings (7)

- Do the TPP measures compel unfair competition?

No.

They are not inconsistent with Article 2.1 of TRIPS in conjunction with Article 10bis of the Paris Convention.

- Do the TPP measures compel misleading indications or allegations about product characteristics?

No. Therefore not inconsistent with Article 22.2(b) of the TRIPS Agreement or Article 10bis(3)(3) of the Paris Convention in respect of geographical indications

Panel Findings (8)

- Has protection of GI been diminished because of the TPP measures?

No.

The TPP measures are not inconsistent with Article 24.3 of the TRIPS Agreement on the basis that the protection that geographical indications enjoyed has not been diminished as a result of the TPP measures.

WHO

- Tax
- Ad bans
- Graphic Health Warnings
- Plain packaging

EU Position

Tobacco Advertising Directive (2003/33/EC)

Tobacco Products Directive (2014/40/EU) (“TPD”) which entered into force on 19 May 2014

TPD

The Directive governs the

-manufacture

- presentation and

-sale of tobacco and related products.

(cigarettes, roll your own tobacco, pipe tobacco, cigars, cigarillos, smokeless tobacco, electronic cigarettes and herbal products for smoking)

TPD

- requires health warnings on tobacco and related products. Combined (picture, text and information on how to stop) health warnings must cover 65% of the front and back of cigarette and roll-your-own tobacco packages;
- sets minimum dimensions for warnings and prohibits small packages for certain tobacco products;

TPD

- bans promotional and misleading elements on tobacco products, e-cigarettes and herbal products for smoking;
- introduces EU-wide tracking and tracing to combat the illicit trade of tobacco products;
- sets out safety, quality and notification requirements for electronic cigarettes, and
- obliges manufacturers and importers to notify EU countries about novel tobacco products before placing them on the EU market.

United Kingdom

- second country in the world to pass legislation on plain packaging.
- The Standardised Packaging of Tobacco Products Regulations 2015 (“TPR”).

United Kingdom

- use of trade mark as a property right should not be prohibited;
- to prohibit the use of a trade mark will be to prohibit a trade mark from performing its essential function of informing consumers; and
- plain packaging law is equivalent to imposing technical regulations to create obstacles to international trade.

Tobacco Products Regulations 2015

Rule 13

R13 (1)(a) – not form an obstacle to registration

(b) - not ground for invalidity,

(6) - forms proper reason for non use.

Rule 14(1) in relation to design – not to affect registration and not ground for invalidity.

TM Registration



- Class 34: Tobacco, raw or manufactured, including cigars, cigarettes, cigarillos, tobacco for roll your own cigarettes, pipe tobacco, chewing tobacco, snuff tobacco, tobacco substitutes (not for medical purposes), smokers' articles, including cigarette paper and tubes, cigarette filters, tobacco tins, cigarette cases and ashtrays not of precious metals, their alloys or coated therewith; pipes, pocket apparatus for rolling cigarettes, lighters; matches

Legal Challenge in the UK

R (BRITISH AMERICAN TOBACCO UK LIMITED BRITISH AMERICAN TOBACCO (BRANDS) INC. BRITISH AMERICAN TOBACCO (INVESTMENTS) LIMITED PHILIP MORRIS LIMITED PHILIP MORRIS BRANDS SARL PHILIP MORRIS PRODUCTS S.A. JT INTERNATIONAL SA GALLAHER LIMITED IMPERIAL TOBACCO LIMITED TANN UK LIMITED TANNPAPIER GMBH BENKERT UK LIMITED DEUTSCHE BENKERT GMBH & CO KG)

v

SECRETARY OF STATE FOR HEALTH

Grounds of Challenge

- International law (incompatibility with TRIPS)
- EU law
 - violation of the unitary character of EUTMs and
 - deprivation of IPR contrary to the ECHR and EU Charter of Fundamental Rights
- domestic common law, focusing on alleged breaches of their intellectual property rights
- disproportionate in light of data from Australia

Court of Appeal

- the nature of the claimants' trade mark rights,
- the extent to which the Regulations interfere with those rights,
- the lawfulness of any interference and
- proportionality of the Regulations.

European Union law and the European Convention on Human Rights (the right to property in Article 1 of Protocol 1), and domestic common law were used as basis of the appeal

Decision of the Court of Appeal

- Evidence – suitability? Necessity?
- public interest vs. private property rights
- proportionate means of protecting public health? A lawful restriction on IPR?
- positive 'right to use' a registered trade mark did not exist in domestic law, European Union law or international law
- a control on the use of the trade marks
- not deprivation of those marks
- Public health objectives
- Fair balance between the objectives and claimants' rights.

Further cases in the EU

- Reference to the CJEU

Beyond tobacco

- Increased taxation in order to limit use;
- Regulations and limitations to advertising; and
- Regulations and limitations to packaging.

Potentially affected industries

- Sugar
- Alcohol
- Pharmaceuticals
- Gambling

Sugar tax?



Alcohol



Junk Food



**Tube 'junk food' advert
ban announced by
London mayor**

23 November 2018

Ban on adverts

Junk food adverts will be banned from bus stops owned by TfL
(*Source BBC, 23 November 2018)



Fast Food



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Thank you

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