



25 September 2013

(13-5132)

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Original: English

**AUSTRALIA – CERTAIN MEASURES CONCERNING TRADEMARKS, GEOGRAPHICAL
INDICATIONS AND OTHER PLAIN PACKAGING REQUIREMENTS
APPLICABLE TO TOBACCO PRODUCTS AND PACKAGING**

REQUEST FOR CONSULTATIONS BY INDONESIA

The following communication, dated 20 September 2013, from the delegation of Indonesia to the delegation of Australia and to the Chairperson of the Dispute Settlement Body, is circulated in accordance with Article 4.4 of the DSU.

My authorities have instructed me to request consultations with the Government of Australia pursuant to Article 4 of the *Understanding on Rules and Procedures Governing the Settlement of Disputes*, Article 14.1 of the *Agreement on Technical Barriers to Trade* ("TBT Agreement"), Article 64.1 of the *Agreement on Trade-Related Aspects of Intellectual Property Rights* ("TRIPS Agreement") and Article XXII of the General Agreement on Tariffs and Trade 1994 ("GATT 1994") with respect to certain Australian laws and regulations that impose restrictions on trademarks, geographical indications, and other plain packaging requirements on tobacco products and packaging.

The challenged measures at issue are:

- *Tobacco Plain Packaging Act 2011*, Act No. 148 of 2011, "An Act to discourage the use of tobacco products, and for related purposes";
- *Tobacco Plain Packaging Regulations 2011* (Select Legislative Instrument 2011, No. 263), as amended by the *Tobacco Plain Packaging Amendment Regulation 2012* (No. 1) (Select Legislative Instrument 2012, No. 29);
- *Trade Marks Amendment (Tobacco Plain Packaging) Act 2011*, Act No. 149 of 2011, "An Act to amend the *Trade Marks Act 1995*, and for related purposes"; and
- Any related measures adopted by Australia, including measures that implement, complement or add to these laws and regulations, as well as any measures that amend or replace these laws and regulations.

The measures apply to the retail sale of cigarettes, cigars, and other tobacco products. The measures establish comprehensive requirements regarding the appearance and form of the retail packaging of tobacco products, as well as the tobacco products themselves. The measures also establish penalties, including criminal sanctions, for the violation of these requirements. The measures require, *inter alia*, the following:

- with respect to the retail packaging of tobacco products, the measures (i) regulate the appearance of trademarks and geographical indications, including by prohibiting the display of design and figurative features, including those forming part of these intellectual property rights; (ii) prescribe that the brand and variant names forming part of trademarks appear on the front face, top and bottom of the package in a

uniform typeface, font, size, color, and placement¹; (iii) prohibit the display of other words (except for basic information, including country of origin and manufacturer contact details); and (iv) mandate a matt finish and drab dark brown color (Pantone 448C) for retail packaging;

- the measures establish that individual cigarettes may not display trademarks, geographical indications or any other marking other than an alphanumeric code for product identification purposes;
- the measures provide that individual cigars may carry: the brand name, variant name, country of origin, and an alphanumeric code; these must be displayed in a uniform typeface, font, size, and color on a single band in a drab dark brown color (Pantone 448C)²; and
- the measures regulate other aspects of both tobacco packaging and tobacco products, such as the following requirements: (i) a retail package for cigarettes must be in a prescribed size, form and material; (ii) cigarettes must be white³; and (iii) a cigar tube must be cylindrical, rigid, and have an opening of at least 15 mm.

These measures regulating the plain packaging and appearance of tobacco products for retail sale appear to be inconsistent with Australia's obligations under the following provisions of the *TBT Agreement*, the *TRIPS Agreement*, and the *GATT 1994*:

- Article 2.1 of the *TBT Agreement*, because the technical regulations at issue accord to imported tobacco products treatment less favorable than that accorded to like products of national origin;
- Article 2.2 of the *TBT Agreement*, because the technical regulations at issue create unnecessary obstacles to trade because they are more trade-restrictive than necessary to fulfill a legitimate objective;
- Article 2.1 of the *TRIPS Agreement*, which incorporates the provisions of the *Paris Convention for the Protection of Industrial Property*, as amended by the Stockholm Act of 1967 ("*Paris Convention*"), in particular, (i) Article 6*quinquies* of the *Paris Convention*, because trademarks registered in a country of origin outside Australia are not protected "as is"; and, (ii) Article 10*bis* of the *Paris Convention*, because Australia does not provide effective protection against unfair competition, for example, creating confusion between the goods of competitors;
- Article 3.1 of the *TRIPS Agreement*, because Australia accords to nationals of other Members treatment less favorable than it accords to its own nationals with respect to the protection of intellectual property;
- Article 15.4 of the *TRIPS Agreement*, because the nature of the goods to which a trademark is to be applied forms an obstacle to the registration of the trademark;
- Article 16.1 of the *TRIPS Agreement*, because the measures prevent owners of registered trademarks from enjoying the rights conferred by a trademark;
- Article 16.3 of the *TRIPS Agreement*, because the measures prevent owners of registered trademarks that are "well known" from enjoying the rights conferred by a trademark;

¹ The brand name and variant must displayed in Lucida Sans typeface; no larger than 14 points for the brand name and 10 points for the variant name; with only the first letter capitalized; in regular font; in the color Pantone Cool Gray 2C; and below the graphic health warning on the front surface of cigarette packs.

² They must appear only once on the band and be displayed in Lucida Sans typeface; no larger than 10 points in size; in regular font; and in the color Pantone Cool Gray 2C. The brand and variant name should be placed horizontally along the length of the band so that they run around the circumference of the cigar.

³ However, a cigarette may include an imitation cork tip that is printed brown, and is placed over a filter tip.

- Article 20 of the *TRIPS Agreement*, because the use of trademarks in relation to tobacco products is unjustifiably encumbered by special requirements, such as (i) use in a special form, for example, the uniform typeface, font, size, color, and placement of the brand name, and, (ii) use in a manner detrimental to the trademark's capability to distinguish tobacco products of one undertaking from tobacco products of other undertakings;
- Article 22.2(b) of the *TRIPS Agreement*, because Australia does not provide effective protection against acts of unfair competition with respect to geographical indications, for example, creating confusion among consumers with respect to the origin of goods;
- Article 24.3 of the *TRIPS Agreement*, because Australia is diminishing the level of protection it affords to geographical indications as compared with the level of protection that existed prior to 1 January 1995; and
- Article III:4 of the GATT 1994, because the measures at issue accord to imported tobacco products treatment less favorable than that accorded to like products of national origin.

Indonesia reserves the right to raise additional claims or matters during the course of these consultations, and in any future request for panel proceedings.

Indonesia looks forward to Australia's response to this request and to fixing a mutually acceptable date for consultations.
