

ExCo Helsinki
Final draft resolution
10 September 2013

Resolution

Plain Packaging

AIPPI

Noting that:

- 1) In several jurisdictions, legislation regarding a requirement for tobacco products to have plain packaging is being considered, while in Australia such has in fact been adopted. Furthermore, there has been public debate concerning similar packaging restrictions for other legal consumer products, such as foods considered to be unhealthy and alcohol.
- 2) In previous questions, AIPPI has studied issues relating to restrictions of the rights of the patentee for reasons of public interest and relating to the influence of advertising restrictions on trademarks.
- 3) These studies led to the adoption of
 - a) the principle by the Congress in Washington in 1956 (Q3) that (i) measures (other than the granting of compulsory licenses) restricting the rights of a patent holder can only be adopted when the compelling requirements of public interest are not satisfied by the granting of a compulsory license and (ii) such measures shall only be adopted provided that the patentee receives equitable compensation;
 - b) the recommendation of a Resolution of the Executive Committee of Oslo in 1957 (Q3) and, in the following year (1958), a Resolution of the Congress of Stockholm (Q3) expressing the wish for a new Article 5quater Paris Convention with the purport that restricting measures more rigorous than the granting of a license shall only be imposed if it is shown that the granting of a license is not sufficient, and if an equitable compensation is paid to the patentee, while the patentee must have the possibility of an appeal to the courts;
 - c) the Resolution of the Executive Committee of Sorrento in 2000 (Q151), which in its consideration states that concerns of social policy may justify certain advertising restrictions, which may however not be disproportionate or unreasonable, and concludes that (i) restrictions on advertising for certain products or services should not constitute an obstacle to the acquisition of trademark rights for those products or services, nor should they constitute an independent ground for cancellation and (ii) a ban on advertising may constitute a justified reason for non-use of a trademark under Article 5C Paris Convention.

- 4) Furthermore, on December 17, 2010, AIPPI submitted its views on the possible revision of the European Union's Tobacco Products Directive 2001/37/EC, concluding that the policy option of future legislation requiring plain packaging of tobacco products be abandoned as its implementation would raise fundamental issues under trademark law, facilitate counterfeit trade and be inconsistent with a number of international treaty obligations. AIPPI also noted that its concerns about plain packaging extend beyond the proposed regulations for tobacco products and could lead to a greater restriction on trademark use for many other products as well.
- 5) The present Resolution concerns the restriction of the use of trademarks on certain products or packaging thereof, in particular when this amounts to a requirement of plain packaging.

Considering that:

- 1) The term "plain packaging" (sometimes referred to as "standardised packaging") refers in general to:
 - a prescribed shape, size and colour of packaging;
 - a prohibition of all branding and promotional elements (such as trademarks, logos and product claims and other visual design elements) other than the brand name; and
 - a prescribed display of the brand name, including as to typeface, font size, colour and position.
- 2) Article 15(4) TRIPS and Article 7 Paris Convention provide that the nature of goods or services to which a trademark is to be applied shall in no case form an obstacle to registration of the trademark.
- 3) Article 17 TRIPS states that limited exceptions to the rights conferred by a trademark may be imposed, provided that such exceptions take the legitimate interests of the trademark owner and of third parties into account; however, the public interest is not explicitly mentioned.
- 4) Article 20 TRIPS provides that the use of a trademark in the course of trade shall not be unjustifiably encumbered by special requirements, such as use in a manner detrimental to its capability to distinguish the goods or services of one undertaking from those of other undertakings.
- 5) In the context of patent law, the public interest plays a role insofar as Article 31 TRIPS provides for the possibility of government use and compulsory licences in the case of national emergency or other circumstances of extreme urgency or in cases of public non-commercial use. However, a condition is that the right holder shall be paid adequate remuneration (Article 31 (h) TRIPS).
- 6) The continuous and extensive use of a trademark can have an effect on its scope of protection (see e.g. Article 16 (2) and (3) TRIPS with express reference to Article 6bis Paris Convention), and can contribute to the notoriety, reputation and/or the goodwill/value of the mark. In consequence, a restriction in the nature

of plain packaging amounts to a serious impairment of the trademark rights and can cause considerable damage to the trademark right holder.

- 7) There is a public interest in promoting measures aimed at the protection or improvement of public health. At the same time, other interests may exist, such as an interest in limiting trade in counterfeit goods.

Resolves that:

- 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.
- 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
 - (iii) the public interest reason outweighs other interests (such as, without limitation, 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).
- 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.