



Ms Julie Dennett
Committee Secretary
Senate Legal and Constitutional Committee
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

29 August 2011

Dear Ms Dennett,

BUSINESSEUROPE welcomes the opportunity to comment on the Tobacco Plain Packaging Bill 2011 and the related Trade Marks Amendment (Tobacco Plain Packaging) Bill 2011, which have now been referred to the Senate, and also to the Senate Legal and Constitutional Committee.

BUSINESSEUROPE is the pan-European business organisation. The protection of intellectual property has always been high on our agenda.

While BUSINESSEUROPE fully supports the stated public health objectives of the proposed legislation, we are writing to express our concerns at the intellectual property aspects of the Bills, which we believe constitute a serious violation of the rights of trademarks owners and a potential breach of Australia's international obligations.

We understand that the Plain Packaging Bill will in effect prohibit the use of brands, trademarks and logos, with the exception of the brand name in standard 12-point black Helvetica. BUSINESSEUROPE can only support and reiterate comments made in more detail by other international organisations with a specific interest in intellectual property protection that the proposed legislation would notably be inconsistent with:

- Article 20 of TRIPS which specifies that the use of a trademark in the course of trade cannot be unjustifiably encumbered in a manner detrimental to its capability to distinguish the goods or services of one undertaking from those of another.
- Article 15 of TRIPS and Article 7 of the Paris Convention which provide that the nature of the goods shall in no case form an obstacle to the registration of a trademark. In many countries registration may be refused if the use is contrary to law – which clearly would not be the case for a product such as tobacco which is legally sold in the country.
- While Article 8(1) of TRIPS exempts public health measures from treaty obligations, these measures still need to pass the necessity test stipulated in Article 8(1), and it is doubtful that this would be the case.

We are concerned that these developments would create a dangerous precedent. The Australian Government's proposed plain packaging legislation has, in our view, the potential to undermine the integrity of the international intellectual property system in relation to sectors other than tobacco – and not just in Australia but also in the rest of the world where the extent of protection of these rights can be far less robust.

Our concerns regarding the intellectual property-related aspects of plain packaging are compounded by its coupling with the Trade Marks Amendment (Tobacco Plain Packaging) Bill 2011 (hereinafter referred to as the TMA Bill). Our specific concerns regarding this Bill can be summarised as follows:

- As clearly exemplified by its Explanatory Memorandum, this Bill seems to have been introduced in order to bolster any defence the Government of Australia might have in relation to the abolition of the right to use trademarks. We see such a proposal as an attempt technically to cure a violation of international laws and treaties. This causes concerns to organisations – such as BUSINESSEUROPE – which support and actively promote strong intellectual property protection.
- We are further concerned that this Bill will give a Minister discretion to amend the Trade Marks Act without having to go back to Parliament. We believe this sets a precedent for allowing Ministerial discretion to weaken intellectual property protection in other product sectors.
- We are of course concerned that the Bill goes against the harmonisation of trademarks laws and procedures globally and notably contravenes international treaties such as the Madrid Convention, the Trademark Law Treaty (1994), the Singapore Treaty on the Law of Trademarks (2006), all of which seek to achieve harmonisation in order to create greater legal certainty in this area.
- Finally, we are particularly concerned that the TMA Bill artificially creates a new category of trademarks that do not require use in order to proceed to acceptance and registration and, once registered, are safe from any challenge to revoke or remove the registered mark. In effect, this would create a two-tier trade mark system in Australia. This situation presents problems both within Australia and in relation to Australia's international obligations under the Paris Convention and the TRIPS Agreement, all of which should be subject to detailed legal scrutiny, rather than left purely to Ministerial discretion.

In sum, the proposed legislation would breach international treaty obligations and would create a dangerous precedent to weaken intellectual property protection, and we would accordingly urge the Australian legislative bodies to consider the broader context and devise measures that would avoid causing such damage to the international intellectual property regime.

Yours sincerely,

Jérôme P. Chauvin
Director
Legal Affairs and Internal Market