A Submission to the Senate Legal and Constitutional Committee on the Trade Marks Amendment (Tobacco Plain Packaging) Bill 2011 (Cth)

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A SUBMISSION TO THE SENATE
LEGAL AND CONSTITUTIONAL COMMITTEE

A SUBMISSION ON THE TRADE MARKS AMENDMENT
(TOBACCO PLAIN PACKAGING) BILL 2011 (CTH)

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Biography

I am an Australian Research Council Future Fellow, and an associate professor at the Australian National University College of Law based in Canberra, Australia. I have a Bachelor of Arts (Hons) and a University Medal in literature, and a Bachelor of Laws (Hons) from the Australian National University, and a PhD in law from the University of New South Wales. In terms of my affiliations, I am an associate director of the Australian Centre for Intellectual Property in Agriculture (ACIPA), a member of the ANU Climate Change Institute, and a director of the Australian Digital Alliance (ADA).


A significant theme in my research has been the topic of intellectual property and health. In particular, I was the co-author of an influential academic article on the plain packaging of tobacco products - Becky Freeman, Simon Chapman, and Matthew Rimmer. "The Case for the Plain Packaging of Tobacco Products" (2008) 103 (4) Addiction 580-590. This work was cited recently in the WHO Report on the Global Tobacco Epidemic, 2011. In other work intellectual property and public health, I have written on the dispute over the genetic sequencing of the SARS virus; the tribulations of the Canadian compulsory licensing scheme on the export of essential medicines; and the strengths and defects of ‘creative capitalism’, as represented by the RED
Campaign, the Clinton Foundation, and the Gates Foundation. With the Centre for International and Public Law, I was a co-organiser of a large two-day symposium on patent law and access to essential medicines. The highlights of this symposium were published by Cambridge University Press in *Incentives for Global Public Health: Patent Law and Access to Essential Medicines*. I have also been an active participant in the Australian debate over access to essential medicines – making submissions, and appearing before a parliamentary committee on the need to implement a flexible and effective mechanism to export essential medicines.

I am currently a chief investigator in an Australian Research Council Future Fellowship on intellectual property and climate change, and an Australian Research Council Discovery project on plant innovation. I have also been a chief investigator for an ARC Discovery project on gene patents, an ARC Linkage project on plant breeders' rights, and an ARC Linkage project on ‘Unlocking Intellectual Property’.


As well as being Director of Higher Degree Research for 3 years at the ANU College of Law, I have two completed higher degree research students - Judith Bannister’s PhD dissertation, ‘Secret Business and Business Secrets: The Hindmarsh Island Affair, Information Law, and the Public Sphere’, passed examination in 2007; and another PhD dissertation on ‘Intellectual Property and Applied Philosophy’, which passed examination in 2010. Currently, I am supervising several Higher Degree Research Students on a variety of topics – including access to medicines; access to genetic resources; the regulation of synthetic biology; copyright law and musical works; and Indigenous intellectual property. In terms of other supervision, I have supervised forty-seven Honours students, two Summer Research Scholars, and two graduate research unit Masters students.
Executive summary

As an intellectual property expert, I am of the view that the much threatened litigation by the Tobacco Industry against the proposed plain packaging for tobacco products is somewhat vexatious.

Both the *Tobacco Plain Packaging Bill 2011* (Cth) and the *Trade Marks Amendment (Tobacco Plain Packaging) Bill 2011* (Cth) are clearly within the Commonwealth’s legislative power and capacity; and represent an effective means of implementing some of Australia’s obligations under the *WHO Framework Convention on Tobacco Control*.

At the outset, it is worth recalling that internal documents from British American Tobacco emphasized that ‘current conventions & treaties afford little protection’ for tobacco companies.¹ Critically, the documents emphasize that arguments about intellectual property, trade, and property rights under ‘GATT/TRIPS’ would provide ‘little joy’. Accordingly, the internal documents emphasize that tobacco companies should try to resist the introduction of plain packaging of tobacco products through a combination of ‘domestic political solutions’, promoting ‘international debate’, and the provision of an ‘expert bank’ – one would assume that would involve paid consultants, lawyers, and think tanks promoting the position of tobacco companies.

In this light, the threatened legal action by tobacco companies would be part of a larger strategy of seeking to frustrate the introduction and implementation of regulation of tobacco advertising and branding. I would make three arguments. First, the plain packaging of tobacco products is not a violation of trademark law or policy. Second, the plain packaging of tobacco products is consistent with international law in the fields of health, intellectual property, and trade. Third, the plain packaging of tobacco products does not amount to an ‘acquisition of property’ under the *Australian Constitution*.

1. **Trademark Law**

A. **The Nature and Purpose of Trademark Law**

Trademark law is a field of intellectual property law, in which the state provides limited, exclusive rights to trademark owners in respect of the use of distinctive signs in certain goods and services. It is designed to serve a number of functions – including indicating the origin, quality, and message of a trade mark, as well as promoting consumer welfare and competition.

The tobacco industry and its allies have been prone to present a one-sided account of the nature and the purpose of modern Australian trade mark law. There has been a tendency by tobacco industries, industry groups, and professional associations to assert that the primary function of trade mark law is to provide absolute protection for commercial entities.

For instance, in its submission to the House of Representatives, Imperial Tobacco boasts:

ITG has approximately 300 registered trade marks in Australia which cover letters, words, names, signatures, numerals, devices, brands, headings, labels and aspects of packaging. In addition to our registered trade marks, our product “get-up” comprises pack shapes, colours, fonts and brand livery, which are protected by the law of copyright and by common law rights, as recognised by the Australian Federal Court in the “Horizon” case: *W.D. & H.O. Wills (Australia) Ltd v Philip Morris Australia* [1997] 39 IPR 356, where Davies J stated: “It is clear that a large and valuable reputation has been established by the applicants in Australia in their Horizon range of cigarettes and in their get-up such that the get-up signifies the applicant’s cigarettes…The applicant’s reputation in its Horizon brand cigarettes resides in the features of its packaging, as well as in the name”. Use of a significant number of our trade marks and “get up” will become prohibited by the plain packaging reforms. As noted by IP Australia, preventing the use of a trade mark may not be consistent with Australia’s international property obligations under TRIPS. Furthermore, it would essentially deprive the registered proprietor of the benefit of the registered trade marks, in circumstances where
Imperial Tobacco paid a significant amount of money in 1999 for these brands, and has paid considerable registration and renewal fees to the Australian Government since this time.²

Similarly, the United States Chamber of Commerce maintains:

Trademarks protect the reputation of companies and their products, and prevent consumers from being confused by materially different, and potentially inferior, products improperly bearing a logo identical to, or confusingly similar to, the company logo. For many of our members, the brand itself, and its reputation built over years of providing quality goods and services, is the most valuable asset of a company. The protection of these property rights is a priority for the U.S. Chamber. The U.S. Chamber’s efforts through the Global Intellectual Property Center and the Coalition Against Counterfeiting and Piracy are illustrative of our extensive efforts to counter threats to these valuable assets.³

The European Cigar Manufacturers Association also argues that cigar manufacturers have ‘fundamental rights’:

ECMA believes that cigar manufacturers have the right to distinguish and differentiate their products from those of competitors. Packaging guarantees origin, quality and investment. Brands and packaging designs are often protected as registered trademarks. Plain packaging would expropriate or fundamentally restrict the essential function of registered trademarks and the right to distinguish products, contrary to national and international law. The development of brand equity and goodwill is fundamental to a market economy, consumer choice, innovation and product development. Manufacturers have fundamental rights to communicate with consumers, to the property in their packaging and to conduct their business.⁴

Such accounts are self-serving; give the false impression that trade mark law provides absolute protection for commercial entities; and fail to reflect the range of private and


public objectives to be served by modern Australian trade mark law, as articulated by the High Court of Australia.

In the case of *Campomar Sociedad Limited v Nike International Limited*, the High Court of Australia has observed that there is a mixture of interests at stake in modern trade mark law:

The Australian legislation has manifested from time to time a varying accommodation of commercial and the consuming public’s interests. There is the interest of consumers in recognising a trade mark as a badge of origin of goods or services and in avoiding deception or confusion as to that origin. There is the interest of traders, both in protecting their goodwill through the creation of a statutory species of property protected by the action against infringement, and in turning this property to valuable account by licensing or assignment...

The exploitation of a trade mark registration in turn may involve questions of public interest. This may engage the law with respect to restrictive trade practices. Moreover, trade marks may play a significant role in ordinary public and commercial discourse, supplying vivid metaphors and compelling imagery disconnected from the traditional function of marks to indicate source or origin of goods. Writing extrajudicially, Judge Kozinski has observed: "Trademarks are often selected for their effervescent qualities, and then injected into the stream of communication with the pressure of a firehose by means of mass media campaigns. Where trademarks come to carry so much communicative freight, allowing the trademark holder to restrict their use implicates our collective interest in free and open communication."

Traders between whom a business is divided, or who unknowingly, perhaps in different geographical areas, have developed the same or similar marks in their businesses, will have an interest in the concurrent use of trade marks.⁵

Trademark protection is certainly not absolute – there are a number of important safeguards and limitations to protect the wider public interest. Trademark protection is limited to particular classes of goods and services. The registration of a trade mark can be opposed on the grounds that it does not distinguish the applicant’s goods or services.⁶ Similarly, an application for registration can be opposed on the grounds that a trade mark is likely to deceive or cause confusion.⁷ In many jurisdictions, an application for a trade protection can be rejected on the grounds that the trade mark

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⁵ *Campomar Sociedad Limited v Nike International Limited* [2000] HCA 12 [42]-[47].
⁶ For example, s 41 of the *Trade Marks Act 1995* (Cth).
⁷ For example, s 43 of the *Trade Marks Act 1995* (Cth).
contains scandalous matter or its use would be contrary to law. Moreover, a trademark can be removed from the register if it is not used, or intended to be used.

B. The Plain Packaging Bills

Section 20 of the Tobacco Plain Packaging Bill 2011 (Cth) deals with the prohibition on trade marks and marks appearing on retail packaging:

(1) No trade mark may appear anywhere on the retail packaging of tobacco products, other than as permitted by subsection (3).
Note: This section does not apply to wrappers (see subsection (4)).

No marks

(2) No mark may appear anywhere on the retail packaging of tobacco products, other than as permitted by subsection (3).
Note: For the definition of mark, see section 4.

Permitted trade marks and marks

(3) The following may appear on the retail packaging of tobacco products:

(a) the brand, business or company name for the tobacco products, and any variant name for the tobacco products;
(b) the relevant legislative requirements;
(c) any other trade mark or mark permitted by the regulations.

Note: For requirements for brand, business, company or variant names, and relevant legislative requirements, see section 21.

Section not to apply to wrappers

4) This section does not apply to a plastic or other wrapper that covers:

(a) the retail packaging of tobacco products; or
(b) a tobacco product that is for retail sale.

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8 For instance, s 42 of the Trade Marks Act 1995 (Cth).
Section 28 of the *Tobacco Plain Packaging Bill 2011* (Cth) provides some extensive guidance as to the impact of the legislation upon trade marks:

(1) For the purposes of the *Trade Marks Act 1995*, and regulations made under that Act, an applicant for the registration of a trade mark in respect of tobacco products is taken to intend to:

   (a) use the trade mark in Australia in relation to those products; or

   (b) authorise another person to use the trade mark in Australia in relation to those products; or

   (c) assign the trade mark to a body corporate that is about to be constituted with a view to the body corporate using the trade mark in Australia in relation to those products; if the applicant would intend to do so but for the operation of this Act.

(2) To avoid doubt, for the purposes of paragraph 42(b) of the *Trade Marks Act 1995*, this Act does not have the effect that the use of a trade mark in relation to tobacco products would be contrary to law.

(3) To avoid doubt, for the purposes of sections 38 and 84A of the *Trade Marks Act 1995*, and regulations 17A.27 and 17A.42A of the *Trade Marks Regulations 1995*:

   (a) the operation of this Act; or

   (b) the circumstance that a person is prevented, by or under this Act, from using a trade mark on or in relation to the retail packaging of tobacco products, or on tobacco products;

   are not circumstances that make it reasonable or appropriate:

   (c) not to register the trade mark; or

   (d) to revoke the acceptance of an application for registration of the trade mark; or

   (e) to register the trade mark subject to conditions or limitations; or

   (f) to revoke the registration of the trade mark.

(4) For the purposes of paragraph 100(1)(c) of the *Trade Marks Act 1995*, an opponent is taken to have rebutted an allegation if the opponent establishes that the registered owner would have used the trade mark in Australia on or in relation to the retail packaging of tobacco products, or on tobacco products, but for the operation of this Act.

Trade Marks regulations applying provisions of Trade Marks Act

(5) Subsections (1) to (4) also apply in relation to regulations made under the *Trade Marks Act 1995* that:

   (a) apply provisions of the *Trade Marks Act 1995* that are affected by this section, including where the regulations apply those provisions in modified form; and

   (b) provide in similar terms to provisions of the *Trade Marks Act 1995* that are affected by this section.
The explanatory memorandum explains: ‘The Bill prevents trade marks from being placed on tobacco products or their retail packaging. However, clause 28 preserves a trade mark owner’s ability to protect a trade mark, and to register and maintain registration of a trade mark. To this end, clause 28 provides for the way various provisions of the Trade Marks Act 1995 and the Trade Marks Regulations 1995 will operate in relation to the provisions of the Bill. For example, a tobacco manufacturer that applies for the registration of a trade mark in respect of tobacco products is taken to intend to use the trade mark in Australia, if it would use it on the products or retail packaging, but for the operation of the Bill. Similarly, if someone applies for removal of a trade mark from the register, alleging that the trade mark has not been used, this allegation will be rebutted by evidence that the registered owner would have used the trade mark, but for the operation of the Bill.’

In other words, the Federal Government has gone to some lengths to protect the validity of the trade marks of the tobacco companies. As a result of these amendments, the trade marks will not be rendered on the grounds of non-use (due to the operation of the plain packaging regulation). There are a number of old precedents dealing with trade mark law, tobacco, and use. For instance, in Moorgate Tobacco Co. Limited v Philip Morris Limited and Another, [1983-1984] 156 CLR 414, Deane J held: ‘The cases establish that it is not necessary that there be an actual dealing in goods bearing the trade mark before there can be a local use of the mark as a trade mark.’ His Honour noted that, in cases where there had been a small yet sufficient amount of use, ‘it is possible to identify an actual trade or offer to trade in the goods bearing the mark’. One would assume that the legislative drafters are trying to address such issues with their amendments in the Bill.

Moreover, the Federal Government is not engaging in the use of the trade marks itself. So it will not be exposed to actions for trade mark infringement by the tobacco companies. This also helps explain why the tobacco industry has been forced to make convoluted arguments about international law and constitutional law – rather than

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claim something as straightforward as a trade mark infringement under s 120 of the *Trade Marks Act 1995* (Cth).

It should also be emphasized that, in terms of the machinery of the legislation, the Federal Government is not engaged in the acquisition of any trade marks (cf the provisions in Chapter 17 of the *Patents Act 1990* (Cth) dealing with the Crown acquisition of inventions).

**Regulations**

The *Trade Marks Amendment (Tobacco Plain Packaging) Bill 2011* (Cth) proposes the insertion of a provision to the schedule of the *Trade Marks Act 1995* (Cth):

231A Regulations may make provision in relation to the *Tobacco Plain Packaging Act 2011*

(1) The regulations may make provision in relation to the effect of the operation of the *Tobacco Plain Packaging Act 2011*, and any regulations made under that Act, on:

(a) a provision of this Act; or

(b) a regulation made under this Act, including:

(i) a regulation that applies a provision of this Act; or

(ii) a regulation that applies a provision of this Act in modified form.

There is a cross reference to section 28 (2) of the *Tobacco Plain Packaging Act 2011* which provides that ‘regulations made for the purposes of that subsection may clarify or state the effect of the operation of the *Tobacco Plain Packaging Act 2011*, and any regulations made under that Act, on a provision of this Act or a regulation made under this Act, including by taking or deeming: (a) something to have (or not to have) happened; or (b) something to be (or not to be) the case; or (c) something to have (or not to have) a particular effect.’ Section 28 (3) of the *Tobacco Plain Packaging Act 2011* (Cth) provides that ‘Regulations made for the purposes of subsection (1): (a) may be inconsistent with this Act; and (b) prevail over this Act (including any other regulations or other instruments made under this Act), to the extent of any inconsistency.’

The explanatory memorandum notes:
The Plain Packaging Act prevents a trade mark from being placed on tobacco products or their retail packaging, so as to prevent trade marks from being used as design features to detract attention from health warnings or otherwise to promote the use of tobacco products. However, section 28 of the Plain Packaging Act deals with the operation of that Act and the Trade Marks Act, in a way that is intended to ensure that the operation of the Plain Packaging Act will not affect trade mark owners’ ability to protect their trade marks from use by other persons, and to register and maintain the registration of a trade mark. Owners of trade marks in relation to tobacco products will be able to use their trade marks, other than on retail packaging and the products themselves, in ways that do not contravene the Tobacco Advertising Prohibition Act 1992 or other laws, for example on business correspondence.

To ensure that this intention is achieved, the proposed Bill will insert a new section 231A to allow regulations to be made under the Trade Marks Act in relation to the effect of the operation of the Plain Packaging Act and regulations made under that Act on (a) a provision of the Trade Marks Act or (b) a regulation made under that Act.

Regulations made under new section 231A are not intended to have any effect on the operation of the Trade Marks Act in relation to goods or services not governed by the Plain Packaging Act.

The explanatory memorandum notes that there is an equivalent provision in subsection 189A (3) of the Trade Marks Act 1995 (Cth): ‘Section 189A authorises the making of regulations to give effect to the Madrid Protocol Relating to the Madrid Agreement concerning the International Registration of Marks (Madrid Protocol).’ It notes: ‘Allowing such regulations to be inconsistent with, and prevail over, the Trade Marks Act ensures that Australia can comply with its obligations under the Madrid Protocol.’

Dr Andrew Southcott of the Coalition observed in his speech in the House of Representatives:

The bill, as I said, contains what is known as a Henry VIII clause; it is in section 231A of the amendment. It is a clause that allows for regulations made by the minister under an act of parliament to override the act itself. In this situation, regulations under the Trade Marks Act could override the Trade Marks Act. It is exceptionally uncommon, and it goes against the basic legal principle that an act trumps regulations. These clauses are exceptionally rare, and only used as a last resort when there is no other option. That is not the case in this situation. The minister did have an alternative and the Department of Health and Ageing had an alternative: they could have drafted the Tobacco Plain Packaging Bill properly. The coalition does not believe that this second bill is necessary for the government to implement their plain
packaging. We think that this second bill is a sign that the government have botched the drafting of this bill. If the minister had taken the time to draft the *Tobacco Plain Packaging Bill* properly, the trademarks amendment, using an extraordinary power, would not be needed. It is for these reasons that the coalition cannot support the *Trade Marks Amendment (Tobacco Plain Packaging) Bill*. It goes against longstanding parliamentary convention and legal principles.

It’s worth making the observation that the *Trade Marks Act 1995* (Cth) currently relies heavily upon the regulations associated with it – for instance, quite important things are listed there, like the classes for goods and services, and subject matter that is excluded from the definition of the signs. At last look, there were a good 215 pages worth of regulations under the *Trade Marks Act 1995* (Cth) (which is itself 221 pages long). It is a somewhat odd stance for the Coalition to oppose the making of regulations – given their reliance upon extensive regulations in copyright law and trade mark law, when last in power, particularly as a result of the *Australia-United States Free Trade Agreement 2004*.

I would also note that IP Australia, and other trade mark offices around the world, often rely upon regulations and administrative rules to deal with particular kinds of marks (for instance, the current regulations have detailed prescriptions about defensive marks, certification marks, collective marks, and protected marks under the Madrid protocol). Regulations and administrative rules are often deployed to deal with the contextual operation of patents in particular fields of technology (such as biotechnology, clean technology, and business methods). Indeed, Mark Lemley and Daniel Burk have argued that such measures are important in dealing with the so-called patent crisis.

### C. Scandalous Trade Marks and Trade Marks Contrary to Law

Although it has not been debated thus far, it is worth remembering that IP Australia is within its power to take much more significant action over tobacco trade marks, which are scandalous or contrary to law.

Section 42 of the *Trade Marks Act 1995* (Cth) provides: ‘An application for the registration of a trade mark must be rejected if: (a) the trade mark contains or consists
of scandalous matter; or (b) its use would be contrary to law’. In the “Advantage Rent-a-Car” case, the Registrar was obliged to give consideration to legislation such as the Trade Practices Act 1974 (Cth).11

This would be particularly relevant if tobacco advertising was misleading and deceptive. Melanie Wakefield’s research suggests that there is a long history of the tobacco industry purposefully using misleading and deceptive packaging:

With concerns about the health risks of smoking being aired in the 1950s, tobacco companies began to introduce filter cigarettes. In the 1960s and 1970s, this concern gained momentum with the publication of the first Surgeon General’s report and broadcasting of the first televised anti-smoking advertising, prompting the introduction of cigarettes that were claimed to be lower in tar, or “milder”. Research has demonstrated that these “lower tar” cigarettes did not in fact deliver lower tar when smoked, due to vent blocking and compensation through deeper inhalation. Further, research indicates that the use of terms such as “low tar” and “light” cigarettes were purposefully designed to mislead the consumer into believing that they were smoking a lower tar or safer product.

Aside from the brand name and descriptors, however, tobacco industry documents show that other aspects of pack design were purposefully used to communicate and reinforce the impression of lower tar or milder cigarettes. A wide range of colours and design configurations were market tested with consumers to determine designs that most led consumers to perceive that the cigarettes in the pack were “mild” or lower in strength. A common thread through all of this research has tobacco companies grappling with the difficulty of preserving taste satisfaction, while simultaneously reducing perceptions of cigarette strength.

Companies discovered that lighter colours on the pack appeared to promote perceptions of lower cigarette strength. For example, throughout 1979 and 1980, RJ Reynolds was testing packaging modifications to its Camel Filter brand, in an attempt to determine a design which was “able to reduce the communication of product strength among potential users of the brand while maintaining current satisfaction, taste and image perceptions”. The tests led to packaging changes which were summarised as follows: “refinements in the package consist mainly of increasing the amount of white space on the pack and lightening the brown color tones. While other changes were made these were essential to give the revised package the appearance of reduced strength.” Also, the colour of the word “Camel” on the pack was made a lighter brown. 12

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More recently, there have been instances of the Australian Competition and Consumer Commission taking action against tobacco companies over misleading and deceptive conduct. For instance, in 2005, the Australian Competition and Consumer Commission obtained undertakings from the three major Australian tobacco manufacturers, Philip Morris (Australia) Limited, British American Tobacco Limited and Imperial Tobacco Australia Limited, in which the companies agreed to stop using terms such as 'light' and 'mild' and to provide a total of $9 million in corrective advertising.

There are certainly instances of tobacco trade marks and advertising, which could be considered to be scandalous or contrary to law. For instance, the ‘Joe Camel’ cartoon advertising would be considered, in contemporary mores, scandalous – and would be contrary to law, in terms of certain prohibitions on tobacco advertising. There could be some debate as to whether ‘Alpine’ is an instance of greenwashing – something that the Australian Competition and Consumer Commission has been concerned about. It should also be remembered that applicants have no right to compensation in respect of applications rejected on the basis that they are contrary to law.\footnote{See for instance the patent application rejected on the grounds that it is contrary to law in Woo-Suk Hwang’s Application [2004] APO 24 (9 September 2004)}

In some jurisdictions, there is also discussion as to whether a trademark may be denied registration if it is contrary to public order or morality.

D. **Counterfeiting**

The tobacco companies have also argued that the plain packaging of tobacco products will result in an increase in counterfeiting and black market sales. For example, British American Tobacco asserts:

Tobacco products are “the most illegally trafficked legal product in the world”. Removing the trade marks and artwork on packaging, together with the pack complexity as proposed by the
TPP Bill will make counterfeiting easier and will frustrate the ability of consumers, retailers and regulatory authorities to detect illegal product.\textsuperscript{14}

At the same time, the tobacco industry has argued that plain packaging of tobacco products will have no impact on consumer behaviour. There is something of an internal contradiction in the case of the tobacco industry – on the one hand, they have argued that the plain packaging regime will fail to meet its public policy objectives and have no impact; and on the other hand, they have maintained that the plain packaging regime will cause terrible harm to their trade marks and reputation.

The House of Representatives report on the plain packaging of tobacco products suggested that the claims of counterfeiting were overstated:

This figure was disputed by both DoHA, and Quit Victoria. DoHA noted the Australian Government’s own 2010 National Drug Strategy Household Survey found the figure closer to 3 per cent of illicit tobacco consumption per annum, with Quit Victoria suggesting the figure provided by British American Tobacco was ‘a major overestimate’. Ms Scollo reported the survey’s finding that 20 per cent of smokers had tried illicit tobacco, and that 80 per cent of those who had tried illicit tobacco had never used it again. Further, she reported that the 3 per cent figure was consistent with previous findings, and that there had been no significant increase in illicit tobacco consumption in recent years. Professor Olver agreed that the 16 per cent figure was an overestimate, observing that for consumption of illegal tobacco to be that high, Australia’s borders would have to be ‘incredibly porous’, suggesting a level of corruption and ineptitude on the part of agencies responsible for border protection and law enforcement that he considered unlikely to be the case.\textsuperscript{15}

I think that the purpose of the rhetoric about counterfeiting and piracy is designed to further buttress the tobacco industry’s maximalist position of the rights of trademark owners. William Patry has written about how copyright industries have used moral panics over ‘piracy’ as a means to initiate legislative reform.\textsuperscript{16} In this case, I think that the tobacco industry have been trying to mobilise a moral panic over ‘counterfeiting’ in order to block or delay the introduction of the plain packaging of tobacco products. The inflated estimates of the black market for tobacco products is an indication that the tobacco industry has contrived to create a moral panic about ‘counterfeiting’.

In any case, the concerns about counterfeiting are ill-founded. Given that the legislation preserves the rights of trademark owners, ipso facto, they will be able to bring legal action for trademark infringement. Australia has a robust and strong system of intellectual property enforcement – even by comparison to jurisdictions such as the United States – providing civil and criminal remedies in respect of trademark infringement and counterfeiting. If anything, the Australian regime could be criticised for being sometimes over-zealous in enforcing the rights of trade mark owners.

\textsuperscript{16} Patry, William (2009), \textit{Moral Panics and the Copyright Wars}, Oxford: Oxford University Press.
2. **International Law**

Second, I would maintain that the plain packaging of tobacco products is consistent with international health law and trade law.

**A. International Health Law**

The plain packaging of tobacco products by the Australian Government is certainly justifiable as a measure under international health law. In particular, the measure gives effect to the *WHO Framework Convention on Tobacco Control*. In its foreword to the convention, the World Health Organization discusses the nature of this important international instrument:

The *WHO Framework Convention on Tobacco Control* (WHO FCTC) is the first treaty negotiated under the auspices of the World Health Organization. The WHO FCTC is an evidence-based treaty that reaffirms the right of all people to the highest standard of health. The WHO FCTC represents a paradigm shift in developing a regulatory strategy to address addictive substances; in contrast to previous drug control treaties, the WHO FCTC asserts the importance of demand reduction strategies as well as supply issues. The WHO FCTC was developed in response to the globalization of the tobacco epidemic. The spread of the tobacco epidemic is facilitated through a variety of complex factors with cross-border effects, including trade liberalization and direct foreign investment. Other factors such as global marketing, transnational tobacco advertising, promotion and sponsorship, and the international movement of contraband and counterfeit cigarettes have also contributed to the explosive increase in tobacco use.

The preamble emphasizes the fundamental right to health – namely, that ‘the enjoyment of the highest attainable standard of health is one of the fundamental rights of every human being without distinction of race, religion, political belief, economic or social condition’. The preamble recognises that member states are ‘Seriously concerned about the impact of all forms of advertising, promotion and sponsorship aimed at encouraging the use of tobacco products.’ It also notes ‘the need to be alert to any efforts by the tobacco industry to undermine or subvert tobacco control efforts.

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and the need to be informed of activities of the tobacco industry that have a negative impact on tobacco control efforts.’

Article 11 of the Convention deals with the packaging and labelling of tobacco products:

1. Each Party shall, within a period of three years after entry into force of this Convention for that Party, adopt and implement, in accordance with its national law, effective measures to ensure that:

   (a) tobacco product packaging and labelling do not promote a tobacco product by any means that are false, misleading, deceptive or likely to create an erroneous impression about its characteristics, health effects, hazards or emissions, including any term, descriptor, trademark, figurative or any other sign that directly or indirectly creates the false impression that a particular tobacco product is less harmful than other tobacco products. These may include terms such as “low tar”, “light”, “ultra-light”, or “mild”; and

   (b) each unit packet and package of tobacco products and any outside packaging and labelling of such products also carry health warnings describing the harmful effects of tobacco use, and may include other appropriate messages. These warnings and messages:

      (i) shall be approved by the competent national authority,

      (ii) shall be rotating,

      (iii) shall be large, clear, visible and legible,

      (iv) should be 50% or more of the principal display areas but shall be no less than 30% of the principal display areas,

      (v) may be in the form of or include pictures or pictograms.

2. Each unit packet and package of tobacco products and any outside packaging and labelling of such products shall, in addition to the warnings specified in paragraph 1(b) of this Article, contain information on relevant constituents and emissions of tobacco products as defined by national authorities.

3. Each Party shall require that the warnings and other textual information specified in paragraphs 1(b) and paragraph 2 of this Article will appear on each unit packet and package of tobacco products and any outside packaging and labelling of such products in its principal language or languages.

4. For the purposes of this Article, the term “outside packaging and labelling” in relation to tobacco products applies to any packaging and labelling used in the retail sale of the product.
Article 13 addresses tobacco advertising, promotion and sponsorship. Article 13 (1) provides that the ‘Parties recognize that a comprehensive ban on advertising, promotion and sponsorship would reduce the consumption of tobacco products.’ Article 13 (2) observes that ‘each Party shall, in accordance with its constitution or constitutional principles, undertake a comprehensive ban of all tobacco advertising, promotion and sponsorship. This shall include, subject to the legal environment and technical means available to that Party, a comprehensive ban on cross-border advertising, promotion and sponsorship originating from its territory. In this respect, within the period of five years after entry into force of this Convention for that Party, each Party shall undertake appropriate legislative, executive, administrative and/or other measures and report accordingly in conformity with Article 21.’

The Guidelines for implementation of Article 11 of the WHO Framework Convention on Tobacco Control endorse the use of plain packaging:

Parties should consider adopting measures to restrict or prohibit the use of logos, colours, brand images or promotional information on packaging other than brand names and product names displayed in a standard colour and font style (plain packaging). This may increase the noticeability and effectiveness of health warnings and messages, prevent the package from detracting attention from them, and address industry package design techniques that may suggest that some products are less harmful than others.

The Guidelines for implementation of Article 13 of the WHO Framework Convention on Tobacco Control on "Tobacco advertising, promotion and sponsorship" also recommends the use of plain packaging:

Packaging is an important element of advertising and promotion. Tobacco pack or product features are used in various ways to attract consumers, to promote products and to cultivate and promote brand identity, for example by using logos, colours, fonts, pictures, shapes and materials on or in packs or on individual cigarettes or other tobacco products.

The effect of advertising or promotion on packaging can be eliminated by requiring plain packaging: black and white or two other contrasting colours, as prescribed by national authorities; nothing other than a brand name, a product name and/or manufacturer’s name, contact details and the quantity of product in the packaging, without any logos or other features apart from health warnings, tax stamps and other government-mandated information or markings; prescribed font style and size; and standardized shape, size and materials. There
should be no advertising or promotion inside or attached to the package or on individual cigarettes or other tobacco products.

(Andrew Kenyon and Jason Bosland have written about regulatory options for controlling tobacco advertising, promotion, and sponsorship on the internet under Article 13 of the *WHO Framework Convention on Tobacco Control*.18)

The Australian Government’s proposal for the plain packaging of tobacco products would appear to be an effective means of implementing some of its obligations under Article 11 and Article 13 of the *WHO Framework Convention on Tobacco Control*, and the accompanying guidelines; indeed, it may well represent best practice.

The World Health Organization has praised the Australian Government for its leadership and its initiative on this issue. Dr Shin Young-Soo, the World Health Organization’s regional director for the West Pacific, applauded the measure put forward by the Australian Government:

> In the World Health Organisation’s Western Pacific Region, where I am Regional Director, we estimate that two people die every minute from a tobacco-related disease. One in three of the cigarettes that are smoked globally are smoked in our region - a disturbing statistic that tells us that governments have to be far more vigorous if they are to turn back this evil scourge.

> Not surprisingly, then, WHO is keenly interested in the Australian Government's proposal to press for plain packaging for cigarettes, along with bigger and blunter warnings on packets about the dangers of smoking. WHO fully supports these measures, which will give effect to commitments under the WHO Framework Convention on Tobacco Control (WHO FCTC), which has been ratified by 170 countries, Australia included.

> Article 11 of the WHO FCTC requires governments to implement measures to ensure that tobacco packaging is not false or misleading or likely to create an erroneous impression about the characteristics or health effects of the contents. We believe that plain packaging will do that job very nicely - and, in doing so, could save many Australian lives in the long run.

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18 Kenyon, Andrew and Jason Bosland (2007), *Regulatory Options for Controlling Tobacco Advertising, Promotion and Sponsorship under Article 13 of the WHO Framework Convention on Tobacco Control*, (2007) Centre for Media and Communications Law (CMCL), University of Melbourne. This is a prescient paper. One fears that, after the introduction of plain packaging, tobacco companies will increasingly rely upon overt and covert advertisements on-line – both on the web, and on social networks.
It is no surprise that the cigarette manufacturers are doing their best to derail the legislation. With other forms of advertising banned in Australia, they know that once they lose the seductive colours and logos on packets, they will be identified for what they are: thoroughly unglamorous merchants of death and disease.19

Indeed, he noted that the Health Minister Nicola Roxon received a special award from the World Health Organization’s Director-General, Dr Margaret Chan, for her unwavering leadership’ in the field of health and describes the proposal to introduce plain packaging as a ‘bold and breakthrough’.

The recently released WHO Report on the Global Tobacco Epidemic, 2011 is of the view that health warnings and plain packaging are an effective means of tobacco control:

Effective warning labels on tobacco packaging serve several purposes, including disrupting the marketing value of the packages. Because traditional avenues for marketing tobacco products have become increasingly restricted due to wider adoption of bans on tobacco advertising, promotion and sponsorship, the tobacco industry has become increasingly more reliant on cigarette packaging as a primary marketing vehicle. Warning labels reduce the marketing effect of tobacco product packaging, making it more difficult for tobacco companies to reinforce brand awareness.

The maximum reduction in the marketing effect of tobacco packaging would be achieved through the use of generic (i.e. “plain” or “standardized”) packaging, which uses only standard type fonts in a single colour on a plain background to provide the minimum information necessary to identify a product, without the use of logos, stylized fonts, colours, designs or images, or any additional descriptive language. Because generic packaging may increase accurate perceptions of the risk of tobacco use and decrease smoking rates, efforts to prohibit the use of logos, colours, brand images and other promotional information are gaining traction. The plainer the package and the fewer branding elements included, the less favourably smokers will perceive the packs and the greater the impact pictorial health warnings may have. The Australian Parliament is debating the adoption of a bill to require generic tobacco packaging in 2011, which would make Australia the first country to mandate generic packaging beginning in July 2012.20

The report suggests that the proposed Australian approach will be best international practice.

Locally, the House of Representatives Committee in the Australian Parliament heard evidence that plain packaging is an effective tobacco control measure:

The Committee was provided with evidence from multiple witnesses and submitters that showed a less favourable response by consumers to tobacco products presented in plain packaging when compared with branded packaging. Ms Michelle Scollo of Quit Victoria expanded on this point noting there was ‘a strong body of evidence’ overall, including approximately 30 rigorous experimental studies that had been conducted specifically on the influence of tobacco packaging. Ms Scollo reported that all of these studies had concluded that the packaging of cigarettes was an important marketing device for cigarette manufacturers, and that a reduction in branding had made cigarettes less attractive, and had increased the power of graphic health warnings. In responding to criticism of the evidence base, Professor Ian Olver of the Cancer Council agreed that there was sufficient research to support the implementation of tobacco plain packaging, and that in his view implementation in Australia would itself establish more evidence to show the rest of the world that plain packaging is an effective tobacco control measure.21

The Committee asked representatives from the Department of Health and Aging as to whether they were satisfied that sufficient evidence had been established to support tobacco plain packaging. In response, they heard: ‘We absolutely have sufficient public health evidence to go forward with this legislation. This is as good a set of public health evidence as you get for preventative health measures.’22

There has been a rearguard effort by the tobacco industry to question the efficacy of plain packaging of tobacco products. This is somewhat reminiscent of their efforts to

22 Ibid., 9.
question scientific evidence and policy evidence in the past. Professor Mark Davison of Monash University notes that there is strong evidence that plain packaging will be an effective measure – in a larger of package of policy measures - to address public health concerns about smoking:

A television advertising campaign has been mounted with funding from tobacco companies asserting that there is no proof that plain packaging will work. The advertising is misleading. There is a plethora of internal tobacco company documentation demonstrating that different device trade marks are designed to attract different demographic groups such as the euphemistically phrased ‗young adults‘. Some were expressly designed to suggest that the cigarettes in packages bearing those device marks were ‘lighter’ than other cigarettes with exactly the same qualities. There has also been scientific research conducted that demonstrates that plain packaging is perceived as far less attractive than current packaging. The assertion that there is no evidence that plain packaging will work is simply wrong.

Particularly pertinent is the analysis by Melanie Wakefield and co who read and assessed the internal documents of the tobacco industry: ‘Documents show that, especially in the context of tighter restrictions on conventional avenues for tobacco marketing, tobacco companies view cigarette packaging as an integral component of marketing strategy and a vehicle for (a) creating significant in-store presence at the point of purchase, and (b) communicating brand image’. She noted that ‘Market testing results indicate that such imagery is so strong as to influence smoker's taste ratings of the same cigarettes when packaged differently’. Indeed, Melanie Wakefield observed: ‘Documents also reveal the careful balancing act that companies have employed in using pack design and colour to communicate the impression of lower tar or milder cigarettes, while preserving perceived taste and “satisfaction”‘. She notes: ‘Systematic and extensive research is carried out by tobacco companies to

26 Ibid.
27 Ibid.
ensure that cigarette packaging appeals to selected target groups, including young adults and women.\textsuperscript{28}

The tobacco industry has failed to make a good case as to how plain packaging of tobacco products is not an effective measure supported by the \textit{WHO Framework Convention on Tobacco Control}.\textsuperscript{28}

\section{The TRIPS Agreement 1994}

The \textit{TRIPS Agreement} 1994 lays down minimum standards for the protection of intellectual property rights – including trademarks, patent law and copyright law.

Tobacco companies have argued that plain packaging regulations would violate articles of international trade agreements, particularly those setting minimum standards in respect of trademark law. Lobbyists and consultants for the industry have warned governments that plain packaging would violate international trade agreements including the \textit{TRIPS Agreement} 1994, the \textit{North American Free Trade Agreement} 1994 (NAFTA), and the \textit{Paris Convention for the Protection of Industrial Property} 1883. The tobacco companies argue that these agreements guarantee intellectual property rights and obligations which would be breached by plain packaging. Further, the industry argued that because trademarks can only be registered if they are used, they would lose the trademark protection afforded to their logos and symbols. Industry lawyers insisted that plain packaging in disallowing trademarks, would remove tobacco companies’ most valuable assets.

Public health advocates have maintained that nation states should be able to take advantage of flexibilities within international trade agreements, such as the \textit{TRIPS Agreement} 1994, \textit{NAFTA} 1994, the \textit{Paris Convention for the Protection of Industrial Property} 1883, and the European Directives, to protect public interest concerns – such as public health. They have maintained that plain packaging regulations is consistent and compliant with the obligations of such multilateral and regional trade agreements.

\textsuperscript{28} Ibid.
i. The Purposive Clause – Article 8

Article 8 (1) of the *TRIPS Agreement* 1994 clearly acknowledges that ‘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.’

It is somewhat disturbing to read the Hansard account of the debate over the plain packaging bill in the House of Representatives in the Australian Parliament. A number of Coalition members discuss the *TRIPS Agreement* 1994 – including Dr Southcott, Mr Alexander, and Dr Washer – but do not mention the central clause in Article 8. Surprisingly, none of the Labor members discuss the purposive clause of the *TRIPS Agreement* 1994. As such, I would be a little concerned that a somewhat skewed and distorted portrait has been provided of the *TRIPS Agreement* 1994 in the Australian Parliament. Article 8 quite clearly allows member states to address public health issues – such as the impact of tobacco products and advertisements on the well-being of citizens.

It is also somewhat worrying to read some of the distortions, misreading, and misrepresentations of Article 8 (1) of the *TRIPS Agreement* 1994, which have been made in submissions to the House of Representatives of the Australian Parliament. Relying upon the work of its consultants at the ‘Democracy Institute’,

TRIPS Article 8 allows members to “adopt measures necessary to protect public health... provided that such measures are consistent with the provisions of this Agreement”. On its face, the exception conferred by Article 8.1 is a narrow one. The laws adopted must be both necessary, and consistent with the provisions of the TRIPS Agreement. Several statements have been made by the WTO as to the scope and purpose of Article 8.1. These should be

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taken into account when considering its impact upon Articles 17 and 20. There is a very substantial body of literature which indicates that the public health exception was included in Article 8 because of concerns about patents over essential medicines, especially in the developing world. The problem which Article 8.1 was intended to address is the existence of patents which restrict the availability of pharmaceuticals.\(^{30}\)

This submission incorrectly presents Article 8 as some procrustean test, rather than the interpretative, purposive clause that defines the principles underlying the *TRIPS Agreement* 1994.

The *UNCTAD-ICTSD Resource Book on TRIPS and Development* provides a decent account of the origins and nature of Article 8 of the *TRIPS Agreement* 1994:

> Since language of a treaty is presumed not to be surplus, it would appear that Article 8.1 is to be read as a statement of TRIPS interpretative principle: it advises that Members were expected to have the discretion to adopt internal measures they consider 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.\(^{31}\)

Article 8 can and should inform the interpretation of the *TRIPS Agreement* 1994 – both as a whole, and in its individual articles. Article 8 is certainly not limited in its operation to pharmaceutical drugs or patents. Indeed, Article 8 is not even limited to health-care – it also speaks about food security – ‘nutrition’; technology transfer and development – ‘the public interest in sectors of vital importance to their socio-economic and technological development’; and competition policy. Indeed, Article 8 makes it clear that the *TRIPS Agreement* 1994 is not a charter of rights for intellectual property owners – but rather is designed to serve a range of interests, including the larger public interest in matters such as health-care, food security, development, and


competition. Article 7 reinforces this – with its stipulation that ‘The protection and enforcement of intellectual property rights should contribute to the promotion of technological innovation and to the transfer and dissemination of technology, to the mutual advantage of producers and users of technological knowledge and in a manner conducive to social and economic welfare, and to a balance of rights and obligations.’

ii. Articles 16, 17 and 20 of the TRIPS Agreement 1994

In a piece entitled ‘Plain Packaging and International Trade Treaties’, Julius Katz and Richard Dearden, consultants to the tobacco industry, assert that a measure requiring the plain packaging of cigarettes would violate a number of measures contained in the TRIPS Agreement 1994. They maintain that plain packaging of tobacco products offends Article 20 of the TRIPS Agreement 1994, which provides that use of a trade mark in the course of trade is not to be unjustifiably encumbered by special requirements such as its use in a manner detrimental to its capability to distinguish the goods or services of one undertaking from those of other undertakings.

In the World Trade Organization, the Dominican Republic – a noted manufacturer of cigars - has objected to the draft Australian law requiring cigarettes to be sold in plain packaging without logos or trademarks. The Dominican Republic has repeated the objections of the tobacco industry that the proposed law would also violate the TRIPS Agreement 1994 (particularly Article 20) and the linked Paris Convention. In particular, it complains that the law would be a “special requirement” that would “unjustifiably” encumber the use of trademarks “in a manner detrimental to its capability to distinguish the goods or services of one undertaking from those of other undertakings”. Moreover, the Dominican Republic has argued that the law would hurt tobacco producers in small and vulnerable economies. Moreover, it has denied that the bill would reduce smoking. It has also alleged that it would also make counterfeiting easier. The position of the Dominican Republic has been supported by Honduras, Nicaragua, Ukraine, the Philippines, Zambia, Mexico, Cuba and Ecuador.

It is uncanny how all of these arguments have mirrored the public statements of the tobacco industry, and its proxies.

In response, the Australian Government explained why the law has been proposed — as the next available step in the campaign to deal with a major and lethal health hazard. It maintained that higher excise duties and the possibility of using anti-counterfeiting labelling would make the cigarettes more expensive and prevent smuggling. Australia will do this in a way that complies with its international obligations. New Zealand, Uruguay and Norway all agreed Australia’s draft law is justified. India observed that studies show that plain packaging does reduce smoking.

Professor Mark Davison from Monash University is clearly the pre-eminent scholar on trade mark law in Australia. He is sceptical of the international legal arguments raised about Article 16 of the *TRIPS Agreement* 1994:

> The arguments based on the trade mark protection obligations imposed by TRIPS are more complex than the Constitutional arguments but have little more strength. The first key point to note is that there is no right under TRIPS to use a trade mark. Article 16 of TRIPS confers a right on trade mark owners to prevent third parties from using the owners’ trade marks. Plain packaging laws would prevent all parties, including third parties, from using the device trade marks in question and therefore they would not infringe Article 16 of TRIPS. The argument that Article 16 contains an implied right of a trade mark owner to use its trade mark has been directly rejected by a decision of the World Trade Organisation.

Davison also doubts that there is a violation of Article 20 of the TRIPS Agreement 1994. He makes the intelligent point that ‘There are already legislatively imposed encumbrances on cigarette packaging that fall within the meaning of Art 20’ and ‘The absence of any legal opposition to them clearly suggests they are justifiable’. He notes, in Australia, that legislation already prescribes that the trade mark owned by

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34 Ibid.


36 Ibid.
the Cancer Council Victoria, “Quitline 137848” must be placed on every cigarette package.

Benn McGrady suggests that state practice would support the lawfulness of advertising bans and health warnings:

In the year 2003, advertising restrictions that restricted the use of trademarks to some degree were maintained in at least 102 of the 146 WTO Member States. Similarly, the mandatory inclusion of health warnings on packaging was maintained by at least 112 Members. Such high levels of practice support the conclusion that such restrictions constitute ‘subsequent practice’ as per the VCLT.  

Thus, plain packaging could be seen as justifiable under Article 20 of the *TRIPS Agreement* 1994.

Moreover, international trade law jurists do not support the approach of Katz and Dearden. Eminent treatise writer, Nuno Pires de Carvalho, observes that Article 20 of the *TRIPS Agreement* 1994 presents no such obstacle to special requirements in respect of the designation of tobacco, because such measures are justifiable:

In the field of products that are harmful to public health but the commercialization of which is not prohibited, such as tobacco or some foodstuffs, special requirements may present two different approaches. On the one hand, legal measures may impose conditions and terms on how marks are apposed to those products. They can refer to the size and colour of letters and characters. They can also refer to the inclusion of warnings and notices on the risks of consumption. Measures can also prohibit the use of tobacco-related marks on different goods (in order to reduce the good-will associated to those marks and thus limit their power to induce consumption).

Similarly, Jayashree Watal has maintained that ‘Article 20 allows for justifiable encumbrances and these can be considered as permitted by TRIPS language’ and that

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fears about special requirements on tobacco labels and packaging have been excessive.\footnote{Watal, Jayashree (2001), \textit{Intellectual Property Rights in the WTO and Developing Countries}, Kluwer, 252.}

In the \textit{Indonesia – Certain Measures Affecting the Automobile Industry} case, the World Trade Organization Panel rejected arguments by the United States that Indonesia had violated Article 20 of the \textit{TRIPS Agreement} 1994.\footnote{\textit{Indonesia – Certain Measures Affecting the Automobile Industry} case Document WT/DS54/R of July 2, 1998.} This suggests that a narrow interpretation will be taken of Article 20 of the \textit{TRIPS Agreement} 1994.

The trade scholars from the University of Melbourne, Tania Voon and Andrew Mitchell, make the intelligent point:

Interpreting TRIPS Article 20 in the light of Articles 7 and 8 and the Doha Declaration, it seems incontrovertible that a public health objective could justify an encumbrance under TRIPS Article 20. As the Panel stated in \textit{EC – Trademarks and Geographical Indications (Australia)}, the principles in Article 8.1 in particular are crucial in ensuring that Members have ‘freedom to pursue legitimate public policy objectives since many measures to attain those public policy objectives lie outside the scope of intellectual property rights and do not require an exception under the TRIPS Agreement’\footnote{Voon, Tania and Andrew Mitchell (2012), ‘Implications of WTO Law for Plain Packaging of Tobacco Products’ in Mitchell, Andrew, Tania Voon and Jonathan Liberman, eds., (2012), \textit{Public Health and Plain Packaging of Cigarettes: Legal Issues}, Edward Elgar, UK, http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1874593}

\section*{iii. Public Health statements}


The Doha Declaration on Public Health and the TRIPS Agreement 2001 and the WTO General Council Decision 2003 provide support for such measures in the context of access to essential medicines. This same would be true of tobacco regulation. Notably during, recent debates in the World Trade Organization over the plain packaging of tobacco products, India, Brazil and Cuba stressed their view that countries have the right to implement public health policies without intellectual property being an obstacle — referring directly or indirectly to the Doha Declaration on TRIPS and Public Health 2001. It has long been recognized that member states may take advantage of flexibilities within the TRIPS Agreement 1994 — such as limitations, exceptions, compulsory licensing, and state use — to address public health concerns. The Doha Declaration on Public Health and the TRIPS Agreement 2001 and the WTO General Council Decision 2003 provide support for such measures in the context of access to essential medicines. This same would be true of tobacco regulation. Trademark law does not merely serve the limited purposes of protecting private property rights; it ultimately supports the broader public interest in providing accurate information to consumers. In this light, the plain packaging requirements in respect of tobacco products seems to be an eminently reasonable and justifiable measure, which is entirely consistent with the goal of promoting consumer welfare.

Tobacco companies have, somewhat fallaciously, argued that such declarations and decisions are of no relevance to how countries address public health concerns. The

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45 The submissions by tobacco-allied Brazilian retail and intellectual property groups to the Australian House of Representatives and Senate are particularly strange and unrepresentative – given the long-standing support by the Brazilian Government for public health concerns to be address, without interference by intellectual property rights.

submission by Imperial Tobacco provides a false and misleading account of the *Doha Declaration on Public Health and the TRIPS Agreement* 2001:

The *Doha Declaration on TRIPS and Public Health* makes it clear that the types of circumstances in which Article 8.1 is intended to apply—that is, when it becomes “necessary” to pass laws relating to public health that may interfere with intellectual property rights—are circumstances of “national emergency” or “extreme urgency”. The sort of event which is contemplated is an epidemic, in response to which a government might justifiably order the generic production of a patented drug. The *Doha Declaration on TRIPS and Public Health* strongly suggests that Article 8.1 should be invoked only in extreme cases and was not intended to apply to anything analogous to the plain packaging proposal. It is not enough for the Commonwealth to say that the legislation is a desirable step to promote human health by reducing smoking - it must show that it is a necessary measure to meet a grave and imminent danger. For these reasons, we do not think that the Commonwealth of Australia will be able to justify the plain packaging legislation as “necessary” under international law. As such, it would be in breach of TRIPS.47

This statement contains a number of falsehoods that should not be left stand on the public record, without correction. First, the *Doha Declaration on Public Health and the TRIPS Agreement* 2001 certainly does not suggest that Article 8.1 is limited to extreme circumstances, or to circumstances of a grave and imminent danger. Second, in the context of patent law, Imperial Tobacco seems to have wilfully forgotten that compulsory licensing is available for public non-commercial use in the patent context. Moreover, the *Doha Declaration on Public Health and the TRIPS Agreement* 2001 is not limited to compulsory licensing – it covers a wide range of exceptions. Third, the *Doha Declaration on Public Health and the TRIPS Agreement* 2001 acknowledges that nation states can determine what exceptions will best suit public health concerns. Imperial Tobacco has provided a garbled and mashed-up account of the *Doha Declaration on Public Health and the TRIPS Agreement*

It is worth recalling the actual, broad language of the *Doha Declaration on Public Health and the TRIPS Agreement* 2001. Article 3 stresses:

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We agree that the *TRIPS Agreement* does not and should not prevent members from taking measures to protect public health. Accordingly, while reiterating our commitment to the *TRIPS Agreement*, we affirm that the Agreement can and should be interpreted and implemented in a manner supportive of WTO members' right to protect public health and, in particular, to promote access to medicines for all.

Article 5 emphasizes that ‘we reaffirm the right of WTO members to use, to the full, the provisions in the *TRIPS Agreement*, which provide flexibility for this purpose.’

C.  *North America Free Trade Agreement*

There have been similar debates in North America. In the 1990’s Philip Morris International objected to regulations proposed by the Government of Canada, which prohibited the display of ‘light’ and ‘mild’ descriptors on tobacco packaging. The company invoked the discourses of trademark law and international trade law:

Philip Morris believes that banning descriptive terms on tobacco packaging would violate Canada’s obligations under the North American Free Trade Agreement, the World Trade Organization’s Agreement on Technical Barriers to Trade, the Agreement on Trade Related Aspects of Intellectual Property. The descriptive terms Canada seeks to ban are contained in lawfully-registered Canadian trademarks. Consumers understand these trademarks to designate distinct brands of low yield cigarettes with characteristic tastes and corresponding tar and nicotine yields. Prohibiting the use of these descriptive terms would effectively ban the display of trademarks containing them. If enacted, the proposed ban would therefore expropriate and destroy the affected trademarks and brands in Canada as well as the substantial goodwill that accompanies them in violation of both NAFTA and TRIPS.\(^{48}\)

Philip Morris International submitted that a ban on descriptive terms in trademarks would violate *NAFTA* 1994: ‘The ban would be tantamount to an expropriation of tobacco trademarks containing descriptive terms as well as of the substantial investment in and goodwill associated with those marks and the brands they represent.’\(^{49}\)

\(^{48}\) Philip Morris International Inc. ‘Submission in Response to the National Center for Standards and Certification Information Foreign Trade Notification No. G/TBT/N/CAN/22’

\(^{49}\) Ibid.
Philip Morris International protested that such a ban would violate Article 20 of the TRIPS Agreement 1994: ‘The proposed ban unquestionably would constitute a ‘special requirement’ that would encumber the use and function of valuable, well known trademarks.’ The company bemoaned: ‘In addition, given the increasingly generic appearance of tobacco packaging caused by the recently mandated graphic warnings, and the universal ban on tobacco advertising in Canada, removing additional identifying features from the pack face would further undermine the ability of tobacco trademarks to distinguish the goods of different manufacturers.’

In response, J. G. Castel, a Professor of International Trade Law at Osgoode Hall Law School observed that the threats of Philip Morris International were unfounded:

Those who object to plain packaging on the ground that it would violate the provisions of the various international conventions dealing with the protection of intellectual property to which Canada is a party have lost sight of the real issue. Plain packaging is not concerned with encumbering the use of trademarks but with the sale of cigarettes as a product that is potentially harmful to the public. It has to do with the packaging of goods and with the standards to be applied by manufacturers of tobacco products. The fact that most products sold today carry a trademark to identify them and distinguish them from competing products is a side issue. Therefore, considered as a measure related to the sale of goods, plain packaging falls within the provisions of the GATT, the Agreement on Technical Barriers to Trade, the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) and NAFTA applicable to trade in goods, which contain numerous provisions that recognize the health exception. Even if one considers the issue of trademarks in isolation, there is enough in the NAFTA chapter on intellectual property and in the TRIPS to allow for a health exception.

Castel observed: ‘It would be unheard of and contrary to international practice if Canada could not take necessary health measures to project its population without having to pay enormous sums of money to the American tobacco industry.’

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50 Ibid.
51 Ibid.
53 Ibid.
concluded: ‘The bottom line is whether plain-packaging legislation is necessary for the protection of the life and health of Canadians and has that effect.’

Accordingly, the Government of Canada was not persuaded by the arguments of Philip Morris International about the TRIPS Agreement 1994 and NAFTA, finding such threats to be hollow. When such legal arguments were presented at the Canadian government hearings they did little to sway the panel from recommending further action.

Public health advocates, Russell Mokhiber and Robert Weissman, lamented:

> It is no surprise that Philip Morris will use every tool at its disposal to defend its deadly interests. But what does one conclude about the global trade agreement negotiators, who have created international treaties—with strong enforcement mechanisms—that can be used to challenge public health regulations such as Canada’s?

The authors concluded: ‘With tobacco set to take 10 million lives a year by 2030, it is imperative that steps be taken to remove the trade rule impediments to sound tobacco control measures.’

**D. European Union Directive on the Manufacture, Presentation and Sale of Tobacco Products.**

In the European Union, there have been similar public debates about the interaction between trademark law, plain packaging, and international trade agreements.

In the 2002 case of *R. (on the application of British American Tobacco (Investments) Ltd) v Secretary of State for Health*, the European Court of Justice considered the validity of the European Parliament and Council Directive 2001/37 concerning the

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54 Ibid.
56 Ibid.
manufacture, presentation and sale of tobacco products. The directive imposed strict requirements on the composition and designation of cigarettes – including the need for severe health warnings on packets, and the prohibition of 'descriptors', such as 'light' and 'mild'.

British American Tobacco (Investments) Ltd and Imperial Tobacco Ltd – supported by Japan Tobacco Inc. and JT International SA - brought legal proceedings before the High Court in the United Kingdom challenging the intention of the United Kingdom Government to transpose the directive into national law. The High Court requested the European Court of Justice to determine the directive was invalid in whole or in part by reason of infringement of Article 295 EC, the fundamental right to property, or Article 20 of the TRIPS Agreement 1994.

The tobacco companies claimed that the very large size of the health warnings required by Article 5 of the Directive constituted a serious infringement of their intellectual property rights. The companies submitted that the warnings would dominate the overall appearance of tobacco product packaging, and so curtail or even prevent the use of their trade marks by the manufacturers of those products. The tobacco companies also submitted that the absolute prohibition on using the descriptive terms – such as ‘light’ and ‘mild’ - referred to in Article 7 of the Directive would deprive them of a number of their trade marks because they will no longer be permitted to use them.

For instance, Japan Tobacco complained that Article 7 of the Directive prohibited it from using its trade mark ‘Mild Seven’ in the European Community. The company protested that such a prohibition amounted to an infringement of the right to property, which is recognised to be a fundamental human right in the Community legal order. (It is curious that Japan Tobacco appropriated the language of human rights and trade law to defend its trade marks).

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57 R. (on the application of British American Tobacco (Investments) Ltd) v Secretary of State for Health (C491/01) Times, December 13, 2002 (ECJ).
The Governments of Greece and Luxemburg also submitted that Article 7 of the Directive interfered with the intellectual property rights of the manufacturers of tobacco products.

By contrast, the United Kingdom, Belgian, French, Netherlands and Swedish Governments, and the European Parliament, Council and Commission argued that the provisions of the Directive have no effect on the rules governing the system of property ownership in the Member States within the meaning of Article 295 EC. In any case, the parties maintained that the fundamental right to property was not an absolute right, and could be restricted on the grounds of public interest – such as the protection of public health. The Parties maintained that the provisions of the Directive were not contrary to Article 20 of the TRIPS Agreement 1994, because the Directive did not forbid every cigarette manufacturer to continue to use its trade mark by distinguishing it from others by means of words, signs, colours and drawings which are particular to it and which it could present on the available surfaces of the tobacco products' packaging.

The European Court of Justice denied that the Directive violated the fundamental right of property:

It must be stated that in the circumstances of the present case the Directive does not impinge in any way on the rules governing the system of property ownership in the Member States within the meaning of Article 295 EC which is irrelevant in relation to any effect produced by the Directive on the exercise by the manufacturers of tobacco products of their trademark rights over those products.  

The European Court of Justice emphasized: ‘As regards the validity of the Directive in respect of the right to property, the Court has consistently held that, while that right forms part of the general principles of Community law, it is not an absolute right and must be viewed in relation to its social function.’ It noted that ‘its exercise may be restricted, provided that those restrictions in fact correspond to objectives of general

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58 Ibid., [148].
59 Ibid., [149]
interest pursued by the Community and do not constitute a disproportionate and intolerable interference, impairing the very substance of the rights guaranteed.’

The European Court of Justice ruled that ‘the only effect produced by Article 5 of the Directive is to restrict the right of manufacturers of tobacco products to use the space on some sides of cigarette packets or unit packets of tobacco products to show their trade marks, without prejudicing the substance of their trade mark rights, the purpose being to ensure a high level of health protection when the obstacles created by national laws on labelling are eliminated’. The European Court of Justice concluded that Article 5 constituted a proportionate restriction on the use of the right to property compatible with the protection afforded that right by Community law. The European Court of Justice commented that ‘a manufacturer of tobacco products may continue, notwithstanding the removal of that description from the packaging, to distinguish its product by using other distinctive signs’. In addition, the Directive provides for a sufficient period of time between its adoption and the entry into force of the prohibition under Article 7.

The European Court of Justice emphasized that ‘the lawfulness of a Community measure cannot be assessed in the light of instruments of international law which, like the WTO Agreement and the TRIPS Agreement which is part of it, are not in principle, having regard to their nature and structure, among the rules in the light of which the Court is to review the lawfulness of measures adopted by the Community institutions’. It noted: ‘It is also clear from that case-law that it is only where the Community intended to implement a particular obligation assumed in the context of the WTO, or where the Community measure refers expressly to the precise provisions of the WTO agreements, that it is for the Court to review the legality of the Community measure in question in the light of the WTO rules’. The European Court of Justice concluded: ‘Those conditions are not satisfied in the case of the Directive,'
with the result that there is no need to examine its validity in the light of Article 20 of the TRIPS Agreement. 65

The decision of the European Court of Justice provides support for the position that plain packaging regimes are compatible with property and intellectual property rights.

E. The Australia-United States Free Trade Agreement 2004

Having participated rather vigorously in the debate over the Australia-United States Free Trade Agreement 2004, I am rather puzzled that the tobacco industry should raise the argument that the plain packaging of tobacco products violates that agreement. The United States Chamber of Commerce has argued: 'The AUSFTA includes important protections for investments, including trademarks. In violation of those provisions, the Bill will deny fair and equitable treatment of U.S. investors owning Australian trademarks and will deprive those marks of legitimate value.'66 This seems to be largely wishful thinking on the part of the United States Chamber of Commerce. There is no specific prohibition of the plain packaging of tobacco products in the Australia-United States Free Trade Agreement 2004. The debate over intellectual property aspects of the Australia-United States Free Trade Agreement 2004 focused largely on copyright law, and the evergreening of pharmaceutical drugs. As I understand it, the Australia-United States Free Trade Agreement 2004 did not provide any particular protection for the trade marks of the tobacco industry.

F. Other Trade Agreements

Andrew Mitchell and Tania Voon have written about the plain packaging of tobacco products being consistent with Australia’s obligations under GATT and TBT. 67 It is worth extracting their succinct conclusion

65 Ibid., [156]
Our analysis above demonstrates that Australia’s plain packaging scheme does not breach Australia’s obligations under any WTO agreement. In particular, it does not breach: TRIPS Articles 2.1 or 15.4 because those provisions concern trademark registration, whereas plain packaging affects trademark use; TRIPS Article 17 because that provision concerns exceptions to the rights conferred by trademarks, which—as indicated in TRIPS Article 16—are negative rights to prevent use by others rather than positive rights to use trademarks; or TRIPS Article 20 because even if the scheme encumbers trademarks with special requirements, that encumbrance is justifiable and indeed justified by relevant evidence including the public health objectives of the Australian government, as borne out by the WHO FCTC and its agreed implementing guidelines. The scheme is not covered by the SPS Agreement and is consistent with the TBT Agreement because of its limited impact on trade and its contribution to the legitimate objective of protecting public health. Finally, it does not breach the GATT 1994 because it is non-discriminatory, with a limited impact on international trade and a sound public health basis.68

I would agree with this analysis.

Philip Morris, of course, has initiated legal action against the Australian Government over plain packaging, raising questions about bilateral investment treaties.69 Its spokesperson, Anne Edwards, observed: ‘The forced removal of trade marks and other valuable intellectual property is a clear violation of the terms of the bilateral investment treaty between Australia and Hong Kong’.70 Klya Tienhaara and Thomas Faunce have written about the tobacco industry’s rather peculiar arguments about the Australian-Hong Kong Bilateral Investment Treaty.71 They comment:

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68 Ibid.
70 Ibid.
The Gillard Government is likely to win any investor-state dispute with PMI. Firstly, the Government can challenge the jurisdiction of the tribunal questioning PMI's claim to be an investor from Hong Kong and its launching this dispute before the plain packaging legislation passed Parliament. The company is also required under the terms of the IPPA to request a negotiated settlement at least six months before a dispute.

Secondly, PMI will face an uphill battle to convince a tribunal that Australia's policy has breached the IPPA. Todd Weiler, a Canadian expert on international investment law, has predicted that PMI's similar case against Uruguay will fail as PMI has to do more than convince the tribunal that "Uruguay's choice of tobacco control measures was sub-optimal" it has to provide evidence of discrimination or "manifest unfairness" in the Government's treatment of their investment.

The Australian tobacco plain packaging legislation is clearly non-discriminatory it affects all tobacco companies regardless of where they are based. Furthermore, it is unquestionable that the policy has been developed to protect the public interest being supported by the World Health Organisation and the United Nations Convention on Tobacco Control. Although PMI will probably fail in this claim, the company's frivolous suit may cost taxpayers substantial money (in arbitration fees) and waste government resources.72

I agree – a tribunal or a court would pay such contrived arguments short shrift.

72 Ibid.
3. **Constitutional Law**

Third, it is disturbing how the tobacco industry has been seeking to co-opt the language of human rights and civil liberties, both here in Australia and elsewhere, such as the United States, and the European Union. There has been a concerted attempt by the tobacco industry to invoke the language of ‘property rights’, ‘freedom of speech’ and ‘due process’ – when dealing with the regulation of tobacco advertising.

A close inspection of Australian constitutional law with regards to intellectual property would suggest that such arguments will be ineffective. The High Court of Australia has, traditionally, taken a broad view of the intellectual property power. The plain packaging of tobacco products is difficult to characterise as an acquisition of property on something other than just terms. Indeed, the High Court of Australia would most likely dismiss the argument that the plain packaging of tobacco products was an acquisition of property as ‘synthetic’ and ‘unreal’, as it has done in previous cases. The plain packaging of tobacco products certainly does not involve political communication; and does not raise any larger questions of freedom of speech.

**A. The Intellectual Property Power**

In the 2000 case of *Grain Pool of Western Australia v. Commonwealth*, the High Court of Australia acknowledged that the Federal Government’s power with respect to intellectual property is a broad one.  


The case concerned the constitutional validity of the *Plant Variety Rights Act 1987* (Cth) and its successor, the *Plant Breeders’ Rights Act 1994* (Cth).

The Grain Pool of Western Australia maintained that the legislation was not supported by the intellectual property power under s 51 (xviii) of the *Australian Constitution*, because plant breeders’ rights did not fall within the constitutional definition of "Copyrights, patents of inventions and designs, and trade marks". Furthermore, the
plaintiff argued that the legislation was not supported by the external affairs power under s 51 (xxix) of the Constitution because it was not a matter of international concern and the relevant treaty, the International Convention for the Protection of New Varieties of Plants 1991, had not been ratified. The first defendant, the Commonwealth, at the time, the Howard Coalition Government, defended the legislation, relying upon broad readings of s 51 (xviii) and s 51 (xxix) of the Australian Constitution.

The joint judgment - undoubtedly written by the intellectual property specialist, Justice Gummow - held that the Plant Variety Rights Act 1987 (Cth) and the Plant Breeder's Rights Act 1994 (Cth) were valid under the intellectual property power of the Constitution. It relied upon a number of sources of authority, including historical studies into the development of intellectual property, constitutional law, and a fine, close reading of the legislation and the case law dealing with plant breeder's rights. The joint judgment concluded that plant variety rights do indeed belong within the ambit of "patents of invention" in the intellectual property power.

The High Court considered the meaning of the intellectual property power under the Constitution, which empowers the Commonwealth to make laws with respect to "Copyrights, patents of inventions and designs, and trade marks". The High Court reviewed the judicial authorities dealing with intellectual property and constitutional law. There was one notable instance of legislation being struck down by the High Court for exceeding the limits of s 51 (xviii) that being the Union Label case dealing with workers’ marks. The majority of Chief Justice Griffith, and Justices O’Connor and Barton held that an essential requirement of a trade mark is a trade or business connection between the owner of the trade mark and the goods to which a mark is fixed. The minority of Justices Higgins and Isaacs dissented that the workers’ marks were supported by the intellectual property power.

\[74\] The joint judgment consisted of Chief Justice Gleeson and Justices Gaudron, McHugh, Gummow, Hayne and Callinan.

\[75\] Attorney-General (NSW) v Brewery Employees Union of NSW (the Union Label Case) (1908) 6 CLR 469.
The judges in *Grain Pool of Western Australia v Commonwealth* were moved by the stronger impulse to take a flexible attitude to dealing with new technologies and scientific developments. The joint judgment endorses the dissenting judgment of Justice Higgins in the *Union Label* case. It comments:

> These words do not suggest, and what follows in these reasons does not give effect to any notion that the boundaries of the power conferred by s 51 (xviii) are not to be ascertained solely by identifying what in 1900 would have been treated as a copyright, patent, design or trade mark. No doubt some submissions by the plaintiff would fail even upon the application of so limited a criterion. However, other submissions, as will appear, fail, because they give insufficient allowance for the dynamism which, even in 1900, was inherent in any understanding of the terms used in s 51 (xviii).  

They emphasize that what might answer the description of an invention for the purpose of that section will reflect changes in technology.

Applying slightly different reasoning, Justice Kirby considers the debate in constitutional law over the scope of the intellectual property power. His Honour also rejects the decision of the majority of the High Court in the *Union Label* case dealing with workers’ marks. He provides several reasons why this approach should no longer be observed as a criterion for constitutional elaboration of s 51 (xviii) of the Constitution. His Honour prefers the decision of Justice Higgins in that particular case. Justice Kirby comments:

> Although it is sometimes helpful, in exploring the meaning of the constitutional text, to have regard to the debates in the Constitutional Conventions that led to its adoption and other contemporary historical and legal understandings and presuppositions, these cannot impose unchangeable meanings upon the words. They are set free from the framers’ intentions. They are free from the understandings of their meaning in 1900 whose basic relevance is often propounded to throw light on the framers’ intentions. The words gain their legitimacy and

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77 *Grain Pool Of Western Australia v Commonwealth* (2000) 46 IPR 515 at 520.
78 Attorney-General (NSW) v Brewery Employees Union of NSW (the Union Label Case) (1908) 6 CLR 469.
Justice Kirby concludes that the court must characterise the limits of the legislative power over "patents", "trade marks" and copyright law" by identifying the "really essential characteristics" of the notion referred to. His Honour observes: "What constitute such 'really essential characteristics' may grow and expand, or may contract over time. But the key to finding the meaning is not to be discovered in the statutes and case books before and at 1900 or in the inventions of the framers of the Constitution adopted immediately before and given effect in that year."80

The intellectual property power is indeed sweeping. The Federal Government can grant patents to a wide variety of scientific inventions and technological innovations – everything from mechanical engineering to chemistry to biology and information technology, and emerging technologies, such as synthetic biology, nanotechnology, and stem cell research. Copyright law covers literary works, artistic works, dramatic works, and musical works; as well as cinematographic films, radio and television broadcasts, sound recordings, and published editions. Its categories of subject matter also embrace new technologies, such as computer software, multimedia, and interactive gaming. Trade mark law not only embraces logos and brands, but sounds, scents, packaging, and shapes. Sui generis areas of intellectual property provide protection for plant breeders’ rights, circuit layouts, and the right of resale (droit de suite). The intellectual property power is also dynamic. Over the past decade, the Federal Government has been constantly amending and revising various regimes of intellectual property – including copyright law, patent law, and trade mark. The scope of subject matter is often addressed and finessed. The balance of rights and exceptions is often being recalibrated. The range of remedies is also a common matter of legislative refinement. The registration administrative schemes often need much revision.

In this context, the proposal in respect of the plain packaging of tobacco products is decidedly modest and minor – in the larger scheme of the dynamic area of intellectual

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property. It would be disturbing if the Commonwealth’s constitutional power with regards to intellectual property could be hobbled, as the tobacco industry has suggested. Indeed, it would cause a greater deal of business uncertainty – if every intellectual property amendment was open to demands for compensation in relation to these state-based privileges.

B. Acquisition of Property?

It is disturbing that certain well-heeled intellectual property industries – such as the music industry and the tobacco industry – have raised challenges to this power – relying upon the requirement that there be an acquisition of property on just terms.

In Australia, constitutional arguments about acquisition of property have become the last resort of various intellectual property industries – such as circuit layout manufacturers; the music industry; and the tobacco industry. (Overseas, pharmaceutical drug manufacturers are fond of claiming that their patents are defended by a right to property in battles over access to essential medicines – where nation states and health groups discuss the importance of a right to health).

There has been some debate as to whether the constitutional provision dealing with ‘acquisition of property on just terms’ extends to intellectual property.

In Australian Tape Manufacturers Association Ltd v Commonwealth, the majority of the High Court of Australia held that a ‘royalty’ levied on the vendors of blank tapes by s.135ZZP(1) was a tax and this conclusion entailed the consequence that, by reason of non-compliance with s.55 of the Constitution, Pt VC of the Act was invalid.81 There was some debate as to whether there would have otherwise been an acquisition of property on unjust terms. The judges observed:

Payment of the ‘royalty’ imposed by s.135ZZP(1) would, if the sub-section were valid, involve a compulsory transfer of property (i.e., money) by the payer to the recipient for a purpose in respect of which the Commonwealth Parliament has power to make laws, namely,

80 Grain Pool Of Western Australia v Commonwealth (2000) 46 IPR 515 at 549.
as compensation for disadvantage sustained under a law with respect to copyright. As has been seen, that compulsory transfer of property by the person obliged to make it is neither a quid pro quo for any benefit or advantage received by that person nor accompanied by any countervailing compensation to that person. If it were not a tax, that compulsory transfer of property would constitute an ‘acquisition of property’ by the transferee from the transferor. Notwithstanding a submission of the Commonwealth to the contrary, the Act would not, if that were so, provide ‘just terms’ in the sense in which that phrase is used in s.51(xxxi). That being so, the law imposing the obligation to make it and conferring the entitlement to receive it would be unconstitutional by reason of the absence of the ‘just terms’ which the Constitution guarantees.  

Mason, Brennan, Deane and Gaudron JJ observed: ‘If we had not reached the conclusion that the ‘royalty’ was a tax, we would have been of the view that the imposition of the obligation to pay it involved an unconstitutional acquisition of property on other than just terms’.  

In the minority, Dawson and Toohey JJ held that a blank tape levy did not constitute an ‘acquisition of property’:

Whilst the word ‘property’ in s.51(xxxi) is to be construed liberally so that it extends to ‘innominate and anomalous interests’, for the paragraph to apply it must be possible to identify an acquisition of something of a proprietary nature. The mere extinction or diminution of a proprietary right residing in one person does not necessarily result in the acquisition of a proprietary right by another. Section 135ZZM(1) confers nothing upon any person which may be described as being of a proprietary nature. If the immunity which the section confers can correctly be described as a right, it is a right which is applicable to all but arises only on the occasions upon which copying takes place. It is not a right which is of a permanent character or capable of being assigned to third parties, those being usual characteristics of a right of property. It is not a right which can be described as being by way of copyright or of a licence under copyright since it entirely lacks exclusivity. It does not, in our view, amount to an interest in property. Section 135ZZM(1) is not, therefore, a law with respect to the acquisition of property.

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82 Australian Tape Manufacturers Association Ltd v Commonwealth (1993) 176 CLR 480
83 Australian Tape Manufacturers Association Ltd v Commonwealth (1993) 176 CLR 480
84 Australian Tape Manufacturers Association Ltd v Commonwealth (1993) 176 CLR 480
McHugh J agreed with the conclusions of Dawson and Toohey JJ that Pt VC of the Copyright Act 1968 (Cth) was a valid exercise of the power conferred on the Parliament of the Commonwealth to make laws with respect to copyrights and that it does not constitute an acquisition of property within the meaning of s.51(xxxi) of the Constitution.

In *Nintendo Co Ltd v Centronics Systems Pty Ltd*, the High Court considered the operation of the Circuit Layouts Act 1989 (Cth) in its application to silicon chips used in computer games. Centronics argued that the impact of this legislation on their previous commercial operations amounted to an ‘acquisition of property’ entitling them to ‘just terms’. Mason CJ, Brennan, Deane, Toohey, Gaudron and McHugh J observed the power over intellectual property was not confined by the provision dealing with acquisition of property on just terms:

The grant of Commonwealth legislative power which sustains the Act is that contained in s 51 (xviii) of the Constitution with respect to ‘Copyrights, patents of inventions and designs, and trade marks’. It is of the essence of that grant of legislative power that it authorises the making of laws which create, confer, and provide for the enforcement of, intellectual property rights in original compositions, inventions, designs, trade marks and other products of intellectual effort. It is of the nature of such laws that they confer such rights on authors, inventors and designers, other originators and assignees and that they conversely limit and detract from the proprietary rights which would otherwise be enjoyed by the owners of affected property. Inevitably, such laws may, at their commencement, impact upon existing proprietary rights. To the extent that such laws involve an acquisition of property from those adversely affected by the intellectual property rights which they create and confer, the grant of legislative power contained in s 51 (xviii) manifests a contrary intention which precludes the operation of s 51 (xxxi).

This judgment held that the grant of legislative power contained in the intellectual property power (s 51 (xviii)) manifested an intention which precluded the operation of the acquisition of property on just terms clause (s 51 (xxxii)).

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85 *Nintendo Co Ltd v Centronics Systems Pty Ltd* (1994) 181 CLR 134.

86 *Nintendo Co Ltd v Centronics Systems Pty Ltd* (1994) 181 CLR 134.
In the case of *Commonwealth v. WMC Resources Ltd*, Gummow J – a leading intellectual property specialist – seeks to reconcile the two decisions, thus:

The Commonwealth submitted that any right which has no existence apart from a law of the Commonwealth ‗is inherently subject to modification or diminution by later Commonwealth statute‘. It was said to follow that the contingency of subsequent legislative abrogation or extinguishment denied the protection of s 51(xxxi) to any right created solely by a law of the Commonwealth. Such propositions are too broad. This may be illustrated by reference to laws made under s 51(xviii) of the Constitution, such as the *Copyright Act 1968* (Cth) (‗the Copyright Act‘) and the *Patents Act 1990* (Cth) (‗the Patents Act‘).

Copyright which subsists under the Copyright Act is identified therein in terms of exclusive rights (ss 31, 85-88) and is classified by s 196 as ‗personal property‘ which is ‗transmissible by assignment, by will and by devolution by operation of law‘. Likewise the exclusive rights given by the Patents Act to a patentee are classified by s 13(2) as ‗personal property‘ and as ‗capable of assignment and of devolution by law‘. In *In re Usines de Melle’s Patent*, Fullagar J said: ‘Such ‗property‘ exists by virtue of a grant from the Crown in right of the Commonwealth, and it is locally situate in Australia, but cannot be regarded as locally situate in any State or Territory of the Commonwealth.’

The exercise of those intellectual property rights may limit and detract from the proprietary rights of third parties which otherwise would exist unaffected in infringing articles. However, ‗[t]o the extent that such laws involve an acquisition of property from those adversely affected by the intellectual property rights which they create and confer, the grant of legislative power contained in s 51(xviii) manifests a contrary intention which precludes the operation of s 51(xxxi)‘ (*Nintendo Co Ltd v Centronics Systems Pty Ltd*). Nevertheless, the position with respect to those intellectual property rights themselves is quite different. As a result of the decision in *Australian Tape Manufacturers Association Ltd v The Commonwealth*, it is settled that these species of exclusive right constitute property to which s 51(xxxi) of the Constitution may apply.  

This approach is affirmed by Gleeson CJ, Gummow, Hayne and Crennan J in the 2007 case of *Attorney-General (NT) v. Chaffey*.  

The High Court of Australia’s current approach to acquisition of property on just terms is illuminated by the decision in *Wurridjal v. The Commonwealth of Australia*

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88 *Attorney-General (NT) v. Chaffey* (2007) 231 CLR 651 at 664
(the Northern Territory Intervention case).\textsuperscript{89} In this matter, the High Court held by a majority of 6-1 that proper provision had been made for compensation of Aboriginal organisations and people in the Northern Territory where property rights had been affected by the Commonwealth’s Northern Territory intervention laws.

French CJ cites the ruling in \textit{Nintendo Co Ltd v. Centronics Systems Pty Ltd,}\textsuperscript{90} making the point:

A law which is not directed to the acquisition of property as such, but which is concerned with the adjustment of the competing rights, claims or obligations of persons in a particular relationship or area of activity, is unlikely to be susceptible of legitimate characterisation as a law with respect to the acquisition of property for the purposes of s 51(xxxi). Such a law would therefore be beyond the reach of the just terms guarantee.\textsuperscript{91}

French goes onto to allude to \textit{Australian Tape Manufacturers Association Ltd v Commonwealth}: ‘Similarly, a law reducing the content of subsisting statutory exclusive rights in intellectual property could attract the operation of s 51(xxxi).’\textsuperscript{92} He observes: ‘On the other hand, where a statutory right is inherently susceptible of variation, the mere fact that a particular variation reduces an entitlement does not make that variation an acquisition of property.’\textsuperscript{93}

Similarly, her honour, Crennan J, cites at length from the decision in \textit{Nintendo Co Ltd v. Centronics Systems Pty Ltd}:

\begin{quote}
It is a well-established principle that ‘every species of valuable right and interest’ including ‘innominate and anomalous interests’ are encompassed by ‘property’ in s 51(xxxi) of the
\end{quote}

\textsuperscript{89} \textit{Wurridjal v. The Commonwealth of Australia (the Northern Territory Intervention case)} [2009] HCA 2 at para. 306.

\textsuperscript{90} \textit{Australian Tape Manufacturers Association Ltd v Commonwealth} (1993) 176 CLR 480, and \textit{Nintendo Co Ltd v Centronics Systems Pty Ltd} (1994) 181 CLR 134.

\textsuperscript{91} \textit{Wurridjal v. The Commonwealth of Australia (the Northern Territory Intervention case)} [2009] HCA 2 at para. 91.

\textsuperscript{92} \textit{Wurridjal v. The Commonwealth of Australia (the Northern Territory Intervention case)} [2009] HCA 2 at para. 93.

\textsuperscript{93} \textit{Wurridjal v. The Commonwealth of Australia (the Northern Territory Intervention case)} [2009] HCA 2 at para. 93.
Constitution. Even an indirect acquisition of property may attract the constitutional guarantee of just terms. It follows from the width of the meaning of ‘property’ that the phrase ‘acquisition of property’ must also be construed widely.

Notwithstanding the width of the meaning of ‘property’, the existence of other heads of Commonwealth legislative power which may support an acquisition of property means that the guarantee of just terms in s 51(xxxi) is not to be applied in ‘a too sweeping and indiscriminating way’. Limits upon the scope of s 51(xxxi) have been recognised in numerous cases, in different ways.

There are some kinds of acquisitions of property which are, of their nature, antithetical to the notion of just terms, but which are plainly intended to be permissible under heads of power within s 51 of the Constitution. Obvious examples include acquiring property in the context of tax, bankruptcy, condemnation of prize and forfeiture of prohibited imports.

In Mutual Pools & Staff Pty Ltd v The Commonwealth, McHugh J said: ‘When, by a law of the Parliament, the Commonwealth ... compulsorily acquires property in circumstances which make the notion of fair compensation to the transferor irrelevant or incongruous, s 51(xxxi) has no operation.’

In Nintendo Co Ltd v Centronics Systems Pty Ltd, decided some months later, Mason CJ, Brennan, Deane, Toohey, Gaudron and McHugh JJ further explained: ‘Th[e] operation of s 51(xxxi) to confine the content of other grants of legislative power, being indirect through a rule of construction, is subject to a contrary intention either expressed or made manifest in those other grants. In particular, some of the other grants of legislative power clearly encompass the making of laws providing for the acquisition of property unaccompanied by any quid pro quo of just terms. Where that is so, the other grant of legislative power manifests a contrary intention which precludes the abstraction from it of the legislative power to make such a law.’

The ruling confirms both the rulings in Australian Tape Manufacturers Association Ltd v Commonwealth, and Nintendo Co Ltd v Centronics Systems Pty Ltd.

In the 2008 case of Telstra Corporation Limited v The Commonwealth, the High Court of Australia rejected an argument by Telstra that there had been an acquisition of property in respect of PSTN. The judgment stressed that an ‘analysis of the

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constitutional issues must begin from an understanding of the practical and legal operation of the legislative provisions that are in issue.\textsuperscript{96}

It becomes apparent that Telstra’s argument that there is an acquisition of its property otherwise than on just terms is, as Dixon J said in \textit{British Medical Association v The Commonwealth}, “a synthetic argument, and ... unreal”. The argument is synthetic and unreal because it proceeds from an unstated premise that Telstra has larger and more ample rights in respect of the PSTN than it has. But Telstra’s “bundle of rights” in respect of the assets of the PSTN has never been of the nature and amplitude which its present argument assumes. Telstra’s bundle of rights in respect of the PSTN has always been subject to the rights of its competitors to require access to and use of the assets.\textsuperscript{97}

The High Court has had little patience with ‘synthetic’, ‘unreal’ constitutional arguments about acquisition of property, in which parties inflate the scope of their rights – which does not bode well for the tobacco industry.

The question of the inter-relationship between acquisition of property and intellectual property has recently been argued in May 2011 in \textit{Phonographic Performance Company of Australia Limited & Ors v Commonwealth of Australia & Ors}.\textsuperscript{98} The case concerns the radio music price cap, which limits the amount Australian commercial radio stations can be required to pay to artists and labels to no more than 1 per cent of a broadcaster’s gross income. The question is whether some or all of provisions in ss 109 and 152 of \textit{Copyright Act} 1986 (Cth) beyond legislative competence of Parliament by reason of s 51(xxxi) of Constitution. If so, the further question is whether such provisions should be read down or severed. The High Court of Australia has not handed down a decision yet.

Considering the question of whether plain packaging of tobacco products is an acquisition of property, Professor Mark Davison from Monash University observes that this constitutional argument:

\textsuperscript{96} \textit{Telstra Corporation Limited v The Commonwealth} [2008] HCA 7 (6 March 2008).
\textsuperscript{97} \textit{Telstra Corporation Limited v The Commonwealth} [2008] HCA 7 (6 March 2008).
\textsuperscript{98} \textit{Phonographic Performance Company of Australia Limited & Ors v Commonwealth of Australia & Ors} [2011] HCATrans 117 (10 May 2011) and HCATrans 118 (11 May 2011), and HCATrans 119 (12 May 2011)
As for the Constitutional argument that the legislation acquires property on other than just terms, Professor Craven, a noted Constitutional expert, has since observed on Radio National’s Background Briefing that the tobacco industry’s prospects of success are about the same as a three-legged horse has of winning the Melbourne Cup. The reason for his view is simply explained. The extinction of rights or the reduction of rights is not relevant. The government or a third party must acquire property as a consequence of the legislation. The government does not wish to use the tobacco trade marks. Nor does it want third parties to do so. It does not desire to or intend to acquire any property. The proposition that prohibitions on the use of property do not constitute an acquisition of property was confirmed by the High Court as recently as 2009. In that case, the High Court held that the government was entitled to extinguish property rights in licences of farmers to take bore water.

The constitutional lawyer, George Williams, from the University of New South Wales, has commented:

High Court judges have recognised that "just terms" are not required for laws "which provide for the creation, modification, extinguishment or transfer of rights" in "areas which need to be regulated in the common interest". This may put the Commonwealth on strong ground. It can argue that the impact upon trademarks and brands is not an acquisition of property because the scheme is directed at improving health outcomes for all. The guarantee of compensation in the constitution is an awkward fit for plain packaging, and it is likely the constitutional attack will fail.

The law also emphasizes that the constitutional issues concerning acquisition of property can be remedied by compensation provisions. In Wurridjal v. The Commonwealth of Australia (the Northern Territory Intervention case), the High Court, by a 6-1 majority, held that the creation of the statutory lease on the Maningrida land constituted an acquisition of property from the Land Trust but the acquisition was on just terms due to the compensation provisions in the Northern

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Furthermore, there was no acquisition of Mr Wurridjal and Ms Garlbin’s rights under section 71 of the Land Rights Act because those rights had been preserved throughout the intervention. To the extent that abolition of the permit system had resulted in an acquisition of property, just terms were afforded by the compensation provisions of the FaCSIA Act.

In any case, the legislation has the usual constitutional safeguards. Section 15 of the Tobacco Plain Packaging Bill 2011 (Cth) has the standard safety clause dealing with acquisition of property –

(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.

(2) In particular, if, apart from this section, this Act would result in such an acquisition of property because it would prevent the use of a trade mark or other sign on or in relation to the retail packaging of tobacco products, or on tobacco products, then despite any other provision of this Act, the trade mark or sign may be used on or in relation to the retail packaging of tobacco products, or on tobacco products, subject to any requirements that may be prescribed in the regulations for the purposes of this subsection.

Note: Offences and civil penalties apply to the supply, purchase and manufacture etc. of tobacco products that do not comply with any requirements specified in the regulations (see Chapter 3).

(3) To avoid doubt, any tobacco product requirement (within the meaning of paragraph (a) or (b) of the definition of tobacco product requirement) that does not result in such an acquisition of property continues to apply in relation to:

(a) the retail packaging of tobacco products; and

(b) the appearance of tobacco products.

Simon Chapman has observed that seems to be some creative accountancy at work in the contention that there should be billions of dollars of compensation to the tobacco industry: ‘[The] $3 billion number is thus based on a projected decline, which is so far off the planet of declines ever recorded, that it is dreamland stuff’. This figure, he

suggests, is a ‘factoid’ – designed for media consumption, rather than any realistic sum.

**United States Jurisprudence on the Takings Clause**

In *Wurridjal v. The Commonwealth of Australia (the Northern Territory Intervention case)*, Kirby J notes that the Australian constitutional provision dealing with acquisition of property on just terms was inspired by the United States Constitution:

Section 51(xxxi) of the Australian Constitution was inspired by the Fifth Amendment to the Constitution of the United States of America. The final requirement in that amendment is that ‘nor shall private property be taken for public use, without just compensation’. The drafters of the Australian Constitution considered the Fifth Amendment. In adopting what became par (xxxii) of s 51 of the Australian Constitution, it must be assumed that they intended to differentiate between ‘just compensation’ and ‘just terms’.

The last Clause of the Fifth Amendment to the United States Constitution provides ‘nor shall private property be taken for public use without just compensation.’ It is popularly known as the ‘Takings Clause’.

In *Commonwealth Brands Inc. v the United States*, United States District Court for the Western District of Kentucky considered a number of constitutional objections to tobacco packaging in the United States. The *Family Smoking Prevention and Tobacco Control Act*, Pub. L. 111-31, 123 Stat. 1776 (2009) aims “to curb tobacco use by adolescents,” while “continu[ing] to permit the sale of tobacco products to adults.” The tobacco companies complained that the legislation individually and collectively violated their free speech rights under the First Amendment; their Due Process rights under the Fifth Amendment; and effect an unconstitutional Taking under the Fifth Amendment. The tobacco companies argued that the Act’s mandated warning requirement ‘deprives [them] of their trademarks, trade dress, packaging, and advertising without just compensation,’ and is ‘no different than if the Government

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confiscated half of every billboard for a message on any other issue of public policy.’ 106 The United States Government maintained that such an argument was meritless. The Court held that it lacked jurisdiction to address the merits of Plaintiffs’ takings claim.

C. Freedom of Political Communication

The tobacco industry has increasingly tried to co-opt and appropriate the language of freedom of speech in legal debates – perhaps in reaction to concerns amongst human rights advocates that the use of tobacco products compromises the right to health, and the right to life.

For instance, in Commonwealth Brands Inc. v the United States, the tobacco industry complained to the United States District Court for the Western District of Kentucky that the Family Smoking Prevention and Tobacco Control Act, Pub. L. 111-31, 123 Stat. 1776 (2009) individually and collectively violated their free speech rights under the First Amendment. 107 Similarly, in August 2011, five tobacco companies filed a lawsuit in federal court against the Food and Drug Administration over the requirement to include graphic depictions of the risks of smoking on all cigarette packs by September 2012. 108 ‘The cigarette manufacturers argued that the required pictures were ‘disturbing and emotionally charged’ and that being forced to put them on cigarette packs violated their First Amendment rights to free speech: ‘While the Government may require Plaintiffs to provide purely factual and uncontroversial information to inform consumers about the risks of tobacco products, it may not require Plaintiffs to advocate against the purchase of their own lawful products.’ 109 The tobacco companies maintain: ‘The Government may, of course, disseminate that
message itself, but the First Amendment forbids it from forcing tobacco manufacturers to serve as its mouthpiece by conscripting their private property “as a ‘mobile billboard’ for [its] ideological message.”

In Australia, there is a well-established implied freedom of political communication.

In the media, in its Nanny State advertisements, the tobacco industry has tried to argue that tobacco advertising is a ‘freedom of speech’ issue. Imperial Tobacco maintains, somewhat ludicrously, that the regulation impinges upon freedom of speech:

Australians consider free speech to be a valued cornerstone of our way of life, consistent with the ideals set out in the Australian Constitution and other treaties/conventions. Freedom of our commercial speech is threatened by the Bill. Similarly, MPs who voted against the introduction of display bans for tobacco products in New Zealand cited a “basic right to freedom of expression”. In the absence of any compelling evidence of a public health benefit, the Bill is entirely disproportionate, lacks an evidence base and will erode, rather than enhance, Australia’s hitherto commendable international reputation for fairness, free speech and competition.

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This argument sloppily conflates Australian and New Zealand law (quite a peculiar thing to do, given how differently they address human rights issues). Imperial Tobacco fails to make a case of how tobacco advertising is a matter of freedom of ‘political’ communication. Imperial Tobacco also engages in dubious denialism – there is certainly evidence of plain packaging being an effective means of addressing public health concerns.\footnote{See for instance Wakefield, M., Germain, D. and S. Durkin (2008), ‘How does increasingly plainer cigarette packaging influence adult smokers’ perceptions about brand image? An experimental study’, \textit{Tobacco Control}, 17, 416-21.}

Section 16 of the \textit{Tobacco Plain Packaging Bill 2011} (Cth) addresses the implied freedom of political communication: ‘This Act does not apply to the extent (if any) that it would infringe any constitutional doctrine of implied freedom of political communication.’ However, one doubts that the tobacco industry would have the confidence in making such an argument before a court – quite clearly plain packaging of tobacco products does not impinge upon political speech, and is, in any case, reasonably proportionate and adapted to the larger objective of promoting public health. Section 3 of the \textit{Tobacco Plain Packaging Bill 2011} (Cth) emphasizes that the objects of this Act are: (a) to improve public health by: (i) discouraging people from taking up smoking, or using tobacco products; and (ii) encouraging people to give up smoking, and to stop using tobacco products; and (iii) discouraging people who have given up smoking, or who have stopped using tobacco products, from relapsing; and (iv) reducing people’s exposure to smoke from tobacco products; and (b) to give effect to certain obligations that Australia has as a party to the Convention on Tobacco Control.’

In any case, the tobacco industry has shown scant respect for freedom of speech. A recent book, \textit{Merchants of Doubt}, Naomi Oreskes and Erik Conway suggest that the tobacco industry has long sought to interfere with open and independent scientific communication over the health impacts of tobacco – for instance, on second-hand smoke.\footnote{Oreskes, Naomi and Erik Conway (2010), \textit{Merchants of Doubt: How a Handful of Scientists Obscured the Truth on Issues from Tobacco Smoke to Global Warming}, New York: Bloomsbury Press.} The tobacco industry's allies – such as the United States Chamber of Commerce – have not shown much respect for freedom of speech either. The United
States Chamber of Commerce is currently embroiled in litigation with the Yes Men – in which it stands accused of abusing its trade marks, and abridging the groups’ First Amendment rights to engage in freedom of speech and artistic expression.\textsuperscript{115}

Conclusion

In conclusion, the introduction of the plain packaging of tobacco products by the Australian Government is an effective means of fulfilling its obligations under the **WHO Framework Convention on Tobacco Control**. The Minister for Health, the Hon. Nicola Roxon, and the Federal Government are to be applauded for their leadership on this issue.

The legal campaign by the tobacco industry against the introduction of the plain packaging of tobacco products seems to be largely vexatious (especially when one considers the internal documentation of the tobacco industry on the topic). The introduction of plain packaging of tobacco products is not a violation or infringement of trade mark rights. The measures introduced by the Federal Government are entirely consistent with international trade law. The outlandish, greedy submissions for billions of compensation for an acquisition of property under the Australian Constitution are without merit; and will no doubt be given short shrift by the High Court of Australia.

Above and beyond legal considerations, the debate over the plain packaging of tobacco products has been disturbing for what it has revealed about the scope and range of the tobacco industry’s influence on political processes. The tobacco industry has relied upon consultants (academic and otherwise) and think-tanks to advance their arguments in the public debate. Often, this has been hard to detect – because of a failure to disclose any relevant conflicts of interest. There has been concern as to whether the tobacco industry has been trying to engage in ‘astroturfing’ of civil society campaigns against the introduction of the plain packaging of tobacco products. There has been an expensive print and broadcasting campaign – with the somewhat misogynistic ‘Nanny State’ advertisements. Some media outlets have been decidedly one-sided – *The Australian* has been noticeable for its ardent, biased advocacy of the tobacco industry’s position, in spite of the flimsiness of its legal position. There has been something of a ‘swiftboating’ campaign run against the Minister of Health, the Hon. Nicola Roxon. Federal departments have been drowned in a flurry of freedom of information requests by the tobacco industry (with the objective of trying to tie up their time and resources, and somewhat ambitiously, gaining access to any legal
advice associated with the legislative programme). The tobacco industry has also relied upon peak bodies and associations – such as the United States Chamber of Commerce, the Property Rights Alliance, the somewhat misnamed ‘Democracy Institute’, and the International Chamber of Commerce – to create an echo-chamber for its views and opinions. There has much controversy about donations to political parties by the tobacco industry in Australia and elsewhere. A number of foreign governments would appear to be doing the bidding of the tobacco industry – making submissions to the Australian House of Representatives, which follow a strict template; and pursuing its agenda in the World Trade Organization.

This somewhat insidious campaign has been disturbing in terms of democratic participation and engagement in the Australian body politic. In order to ensure the integrity and sanctity of the political process, the Australian Parliament would do well reflect upon the means and ways by which the tobacco industry has sought to press its case in the courts; in the parliament; international fora; and in the media.

There should be an inquiry by the Australian Parliament into, amongst other things, the role of the tobacco industry in treaty negotiations, litigation, political donations, lobbying, and the funding of think-tanks and consultants in Australia.

Finally, it shows chutzpah on the part of tobacco industry to demand compensation from the Federal government over some perceived slight to its trade marks – when it has been notoriously evasive about providing compensation for the damage done by tobacco to a large number of its consumers. One thinks of the epic litigation in Australia involving Rolah McCabe, and the reluctance – some might even say the recalcitrance - of the tobacco industry to provide her with fair and just compensation for her lung cancer. More generally, the tobacco industry has been somewhat evasive in admitting liability for tobacco-related health harm and damage, and has been embroiled in long-running litigation with governments around the world. I note the submission of NSW Health and the Cancer Institute NSW that tobacco-related illness causes more than 5,200 deaths and over 44,000 hospitalisations each year in NSW – and the social cost of tobacco use in NSW each year is over $8 billion. No doubt the other health departments around Australia would attest to the serious harm caused by what the World Health Organization has called the ‘tobacco epidemic’.
Rather than ask whether the tobacco industry should be compensated for the plain packaging of tobacco products, the better question is whether the tobacco industry should provide full and comprehensive compensation for the untold damage it has caused to the health and well-being of Australian citizens.