

# Analyzing Plain Packaging Requirement from the Perspective of TRIPS

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## ABSTRACT

*The objective of this research paper is to look into the provision of TRIPS and Plain packaging thoroughly, with the intention of finding out whether Plain packaging violates the TRIPS provisions or not. After the Australian implementation of Law, there are several countries like UK, India, and Ireland etc. who wants to implement such similar legal provision to control the tobacco consumption. Plain packaging has far-reaching implications for trademark rights around the world. In light of these circumstances, it becomes imperative to look into the TRIPS obligations regarding trademarks and to find out whether in a zeal to decrease tobacco consumption, countries are violating the international intellectual property right regime. The study sphere and scope of this research paper will be mostly limited to the TRIPS and its relevant provisions. Several aspects of significant TRIPS provisions like Article XX, Article XVI etc. will be looked into to understand whether plain packaging is in consonance with it or not. Further, the research will look into the provisions of FCTC (Framework Convention of Tobacco Products) with limited references being made to the Paris Convention and VCLT (Vienna Convention on Law of Treaties) for interpreting the agreement. This research paper will not be dwelling into the efficiency of plain packaging, or morality issues regarding tobacco products.*

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## INTRODUCTION

The Australian Parliament passed a law to control the consumption of tobacco products called the Tobacco Plain Packaging Act 2011.<sup>1</sup> The Australian law makes it compulsory for the tobacco producers to follow the “Plain Packaging” for their products. Under plain packaging requirement, the use of color schemes, logos and graphics or other such trademarks on tobacco products is not allowed. Further, the act also states that the “word trademarks” and the color packaging which is being used on tobacco packaging shall be drab brown.<sup>2</sup> It has several other requirements which shall be fulfilled in relation to the physical features of packaging.<sup>3</sup> The basic philosophy behind plain packaging is that it intends to reduce the consumption of tobacco products among the population by reducing the visibility and appeal of tobacco products.<sup>4</sup> If anyone is talking about Plain Packaging then one aspect which also has to be looked into is Framework Convention on Tobacco Products (FCTC).<sup>5</sup> FCTC provides that countries who ratified this convention may formulate their own policies to reduce tobacco consumption and it also provides provisions whereby a country can ban tobacco product advertisements and promotions.<sup>6</sup> In Australia, there was already a ban on the advertisements of tobacco products.<sup>7</sup> Thereafter, tobacco product manufacturers resorted to making their product attractive to the consumer by making their packaging attractive. Plain packaging is thus being used to dent this way of marketing and making tobacco products more attractive. However, there are critics and supporter of the plain packaging requirement. Critics point out that plain packaging will lead to a violation of TRIPS provisions by way of “encumbering” the trademarks right of the owner. Some critics also point out that such act and requirement will lead to the violation of GATT<sup>8</sup> provisions by way of interfering with free trade practices.<sup>9</sup> Supporters are of the opinion that plain packaging doesn’t violate any provisions of TRIPS<sup>10</sup>, and is a required step to tackle tobacco consumption. The Australian law regarding the plain packaging was also challenged

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<sup>1</sup> Tobacco Plain Packaging Act, 2011, No. 148, 2011, THE PARLIAMENT OF AUSTRALIA (hereinafter referred as Plain Packaging Act).

<sup>2</sup> See §17, *id.*

<sup>3</sup> See §18, *id.*

<sup>4</sup> See § 3, *Id.*

<sup>5</sup> WHO Framework Convention on Tobacco Control, 21 May 2003, 2302 UNTS 166.

<sup>6</sup> *Id.*

<sup>7</sup> Tobacco Advertising Prohibition Act 1992, No. 218, 1992.

<sup>8</sup> General Agreement on Tariff and Trade, 55 UNTS 194. (1947) (Hereinafter as GATT).

<sup>9</sup> Simon Chapman, *Legal action by Big Tobacco against the Australian government’s plain packaging law*, 21 TOB CONTROL 80–81 (2012).

<sup>10</sup> Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), 1869 U.N.T.S. 299 (1994). (Hereinafter as TRIPS).

in WTO, which will be discussed further. This paper will also be discussing whether the plain packaging requirement will violate TRIPS provisions or not.

### **THE CONTROVERSY SURROUNDING PLAIN PACKAGING**

The plain packaging law of Australia faced major criticism regarding its validity. Most of the criticism is from the tobacco industry lobby. To understand the plain packaging law, the provisions provided in the Australian Plain Packaging Act 2011<sup>11</sup> how it affects the trademark rights have to be analyzed. Article XV of TRIPS provides the definition of a trademark under TRIPS, which is that the mark should be capable of being distinguished.<sup>12</sup> Further, the protection under the TRIPS to the trademarks should be examined. Article XV of TRIPS provides the protection clause,<sup>13</sup> and it has to be examined if plain packaging will violate such a protection. The provision of the Article XVI which provides the protection to the trademark owner to stop the third party to use a trademark<sup>14</sup> should also be analyzed, as critics of the plain packaging have time and again pointed out that preventing the use of the trademark will also violate Article XVI. Analysis of Article XVI should entail that whether it provides a “positive right” to use the trademark or only a “negative right” to prevent the third party from using the owner’s trademark. The next problem which is presented by the critics of the plain packaging is under Article XX,<sup>15</sup> which prohibits any encumbrance of the trademark by way of any special requirement. There is uncertainty whether plain packaging will be considered as “encumbrance” within the meaning of Article XX and even if it does then will that be an “unjustified” encumbrance or a justified one. To get to the conclusion of this problem, the answers to the questions such as what is “justified” and “unjustified” within the meaning of Article XX, whether refuge under Article VIII,<sup>16</sup> which provides an exception clause in regulations and law regarding the public health, will be enough to make plain packaging a “justified encumbrance”.

### **PLAIN PACKAGING AND TRIPS**

As discussed above, there is a controversy surrounding the legality of the plain packaging and its implication on the trademark rights of the owner under the context of TRIPS. In this

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<sup>11</sup> *Supra* note 1.

<sup>12</sup> Article XV, *supra* note 10.

<sup>13</sup> Article XV, *supra* note 10.

<sup>14</sup> Article XVI, *supra* note 10.

<sup>15</sup> Article XX, *supra* note 10.

<sup>16</sup> Article VIII, *supra* note 10.

section, the main controversies will be analyzed to see if the plain packaging violates any of the relevant TRIPS provisions or not.

A. Plain packaging requirements and Article XV: Protectable Subject Matter

Critics have cited Article XV.4 as one of the provisions which plain packaging violates. Article XV.4 provides that “The nature of goods or services to which a trademark is to be applied shall in no case form an obstacle to registration of a trademark.”<sup>17</sup> The contention of the critics is that as the plain packaging bars the use of the trademark on tobacco products, so it is akin to creating an obstacle based on the nature of the goods. Further, the assertions goes of the critics that Article XV.1<sup>18</sup> which also makes “capable to distinguish” as one of the requirement of the registration, will not be able to get fulfilled because some trademarks get that distinctiveness based on their long-term use, and with the enforcement of plain packaging act, such use has been denied to the trademark holder. However, under Article XV.1 or article XV.4, they both talk about the registration of the trademark, even the heading of the Article XV says that it is about “protectable subject matter”. Australian plain packaging legislation doesn’t bar the registration of the trademarks<sup>19</sup> and it doesn’t extinguish the existing registered trademarks, it only bars or limits its use.<sup>20</sup>

Even when it comes to a distinction acquired through use, where marks are not capable of being distinguished, then the wordings of the Article XV.1 includes “Members may make registrability depend on distinctiveness acquired through use. Members may require, as a condition of registration, that signs be visually perceptible.”<sup>21</sup> The word “may” is used in relation to the trademark registration under Article XV.1, which indicates enough liberty to the member country to frame its registration policy in relation to the marks not capable of being distinguished.

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<sup>17</sup> Article XV.4, *supra* note 10.

<sup>18</sup> See, “Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking....” Article XV.1, *supra* note 10.

<sup>19</sup> Andrew Mitchell, *Australia’s Move to the Plain Packaging of Cigarettes and its WTO Compatibility*, 5 ASIAN JOURNAL OF WTO LAW & INTERNATIONAL HEALTH LAW AND POLICY 405, 415-416 (2010). [hereinafter: Mitchell, *Australia’s Move to the Plain Packaging*].

<sup>20</sup> *Id.*

<sup>21</sup> See Article XV.1, *supra* note 10.

Under the same line of reasoning as of Article XV of the TRIPS, the critics also claim that the Article 6 quinquies of Paris Convention<sup>22</sup> is also being violated. Article II.1<sup>23</sup> of TRIPS gives effect to Paris Convention, so its provisions also apply to TRIPS. Article 6 quinquies provides that if one trademark is registered in one country then based on the reciprocity; its registration cannot be denied, as otherwise provided in the article.<sup>24</sup> However, in this instance also, the article is only limited to providing protection with regards to trademarks registration and not with regard to the trademark use.<sup>25</sup>

B. Article XVI and Right to Use or Right to Prevent?

This is one of the most important questions, in relation to the plain packaging requirement. The issue is whether TRIPS affords the right to use the trademark, or only provides the right to prevent a third party from using the trademark. Article XVI provides the rights conferred to the trademarks owners and pronounces that “The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner’s consent from using in the course of trade identical or similar signs for goods or services...”<sup>26</sup>

However, when, one looks at the whole of the article it can be argued that “Right to Use” of a trademark is not provided in the Article XVI, but only the right to prevent. Right to prevent doesn’t give the owners of the trademark the right to use the trademark; they can only stop any third party from using their trademark. In the case of *EC-Protection of trademarks*, the panel report states that TRIPS does not provide for the right to use or a positive right.<sup>27</sup> So, that means Article XVI provides only the negative right, or right to prevent.<sup>28</sup> But critics also points out using the panel report observation in the *EC-Trademarks*<sup>29</sup> case that legitimate interest of the trademark owner includes the use of trademarks as well. However, the panel

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<sup>22</sup> Paris Convention for the Protection of Industrial Property, 828 UNTS 305 (1967).

<sup>23</sup> See, “In respect of Parts II, III and IV of this Agreement, Members shall comply with Articles 1 through 12 and Article 19, of the Paris Convention (1967)”, Article II.1, *supra* note 10.

<sup>24</sup> Article VI quinquies, WIPO, Paris Convention for the Protection of Industrial Property, 20 March 1883 as amended on 8 September 1979, WO020EN [hereinafter: the Paris Convention].

<sup>25</sup> *Supra* note 31.

<sup>26</sup> Article XVI, *supra* note 10.

<sup>27</sup> Panel Report, European Communities – Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs, para. 7.246 WT/DS290/R (15 March 2005) [hereinafter: EC – Protection of Trademarks].

<sup>28</sup> See “TRIPS does not generally provide for the grant of positive rights to exploit or use certain subject matter, but rather provides for the grant of negative rights to prevent certain acts” EC – Protection of Trademarks, *id* at para. 7.246.

<sup>29</sup> Compare, “trademark owner has a legitimate interest in preserving the distinctiveness ... of its trademark’, including an ‘interest in using its own trademark in connection with the relevant goods and services’ *id* at para. 7.664.

was discussing the Article XVII<sup>30</sup> and its legitimate interest and not Article XVI and the rights conferred to the trademarks.<sup>31</sup>

Some critics also talk about the “spirit of TRIPS” while claiming that there is a “right to use”.<sup>32</sup> Critics base this assertion on the basis of the Paris Convention.<sup>33</sup> However here Article XXXI of the Vienna Convention on Law of Treaties<sup>34</sup> should be highlighted which provides the interpretation rules for interpreting all international treaties, including TRIPS. TRIPS also gives legitimacy to the VCLT treaty as a tool of interpretation.<sup>35</sup> Article XXXI of VCLT talk about the general meaning rule, which means that when there is a specific provision, then the meaning should be given which is in literal terms unless otherwise intended. So, if Article XVI is talking about conferring the right to prevent, then only such meaning should be given to the Article XVI. Even in the case of EC-trademarks case, the panel report includes that “If the drafters had intended to grant a positive right, they would have used positive language...”<sup>36</sup> In the India-Patent case, the panel was of the opinion that “..Principle of interpretation neither requires nor condones the imputation of words or importation of concepts...”<sup>37</sup> Considering several WTO rulings, and provision of TRIPS and VCLT, it can be said that when there is a specific provision dealing with the rights of the trademark, then there is no basis of interpreting the rights using “spirit”, such proposition sounds vague and hollow.

Several Authors have accepted and confirmed that while interpreting TRIPS, and trademarks right, the assumption is that there is no right to use, but the right to prevent. The object behind such a move, as have been discussed in the earlier chapter, could be to provide the members states the autonomy to make their own law regarding the trademark protection, and to leave enough scope for them to make any policy formulation with regarding any sovereign function

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<sup>30</sup> See also, “Members may provide limited exceptions to the rights conferred by a trademark, such as fair use of descriptive terms, provided that such exceptions take account of the legitimate interests of the owner of the trademark and of third parties.” Article XVII, *supra* note 10.

<sup>31</sup> EC – Protection of Trademarks, at para 7.664.

<sup>32</sup> Daniel Gervais, ANALYSIS OF THE COMPATIBILITY OF CERTAIN TOBACCO PRODUCT PACKAGING RULES WITH THE TRIPS AGREEMENT AND THE PARIS CONVENTION, JTI (2010). <http://www.jti.com/files/8513/4122/2680/Gervais.pdf>.

<sup>33</sup> *Id.*

<sup>34</sup> Article XXXI, Vienna Convention on the Law of Treaties, 1155 U.N.T.S. 331 , 23 May 1969. (hereinafter as VCLT)

<sup>35</sup> James Thuo Gathii, *The legal status of the Doha Declaration on TRIPS and public health under the Vienna Convention on the law of treaties*, 15 HARV. JL TECH 291 (2001).

<sup>36</sup> See also, “If the drafters had intended to grant a positive right, they would have used positive language. . . .”, *supra* note 37.

<sup>37</sup> India — Patent Protection for Pharmaceutical and Agricultural Chemical Products, DS50 (1997).

or public health etc.<sup>38</sup> In the Australian plain packaging and plain packaging in general, the requirement does not stop the trademark owner to prevent any unauthorized third party from using the trademark. So, Article XVI.1 cannot be said to be violated.

C. Article XX and Plain Packaging

Article XX provides that “The use of a trademark in the course of trade shall not be unjustifiably encumbered by special requirements...”<sup>39</sup> The closer dissection of the provision leaves us with three limbs of this provision. First, Article XX provides that there is a “use of the trademark in course of trade”, and then it provides that there shouldn’t be an “unjustified encumbrance” and the last limb is that such encumbrance should be by special requirement, the examples of which are provided in the article itself. From the article, it is self-evident that the “use of the trademark” is provided in the article, subject to some condition. Now the question arises that whether the Article XVI, which confers the right to trademarks, and Article XX, which talks about other requirements, have a conflict between them, since one provides only the “right to prevent”, while other is talking about the “use of the trademark”.

However, when we look at the articles in its entirety and then compare them, we arrive at the conclusion that the scope of Article XVI is wider, while Article XX is only talks about special circumstances, with its scope being narrower. The reason for such a conclusion is that Article XX directly mentions that “use... shall not be unjustifiably encumbered by special requirements”, but Article XVI doesn’t mention it, and if the drafters really had the intention to provide the right to use, then they would have conferred such right under article XVI. To be clearer, under Article XX, the use of term “use” denotes that the drafter’s intention was to provide a balance and the use of the trademark shouldn’t be “unjustifiable encumbrance by the any “special requirements”. This could be presumed to be how the drafter wanted to protect the trademark rights of the owners while leaving enough scope for the member states to come up with their “justified” policy which might encumber the trademark. However, even if one accepts the argument that Article XX provides right to use of a trademark against unjustified encumbrance then it leads to another interesting argument which is that if there is an unjustified encumbrance, then there has to be a justified encumbrance as well.

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<sup>38</sup> F. M. Abbott, *The Doha Declaration on the TRIPS Agreement and Public Health: Lighting a Dark Corner at the WTO*, 5 JOURNAL OF INTERNATIONAL ECONOMIC LAW 469–505 (2002).

<sup>39</sup> “The use of a trademark in the course of trade shall not be unjustifiably encumbered by special requirements, such as use with another trademark, use in a special form or use in a manner detrimental to its capability to distinguish the goods or services of one undertaking from those of other undertakings. ...” Article XX, *supra* note 10.

D. Justified Encumbrance

There is no exact definition or provision provided for the justifiability of an encumbrance. An encumbrance can be interpreted as a burden or obstacle. Plain packaging requirement mandates that there should be limited or no use of the trademark on tobacco products, and several provisions are dedicated to it.<sup>40</sup> There is some confusion among the jurists about whether the plain packaging really creates an encumbrance or not, but even if going by the general interpretation, if we can assume that plain packaging requirement creates the encumbrance, then the next question that crops up is that whether these requirements are justified or not. Justifiability means that it should be reasonable or defensible.<sup>41</sup> Meaning of justifiability is also similar to that of the “necessity”. However, jurist have claimed that necessity requires higher standards of proof, while justifiability requires a relatively lower standard.<sup>42</sup> To understand what would be justified encumbrance, several provisions can be looked into, which are as follows

Public Health

To probe into the justifiability of the plain packaging requirement, the important provisions to look into within the TRIPS are Article VII and Article VIII. Article VII provides for the objective of this act<sup>43</sup> and Article VIII provides that a member state can take steps to protect public health.<sup>44</sup> These are blanket provisions, and affect the whole of the TRIPS. However, such a measures mentioned under Article VIII should be in accordance with the TRIPS. Plain packaging is such a measure as has been defined by the Framework Convention on Tobacco Control (FCTC).<sup>45</sup> FCTC is a convention by World Health Organization (WHO), whereby members of it have acknowledged that they should take measure to reduce or eliminate the tobacco consumption in their countries<sup>46</sup> and such measures also include plain packaging.<sup>47</sup>

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<sup>40</sup> *Id* at note 1.

<sup>41</sup> Mark Davison, *Plain Packaging and the TRIPS Agreement: A Response to Professor Gervais*, 23 AIPJ 160 (2013).

<sup>42</sup> Andrew Mitchell & Tania Voon, *Face Off: Assessing WTO Challenges for Australia’s Scheme on Plain Tobacco Packaging*, 22(3) PUBLIC LAW REVIEW (2011).

<sup>43</sup> Article VII, *supra* note 10.

<sup>44</sup> Article VIII, *supra* note 10.

<sup>45</sup> *Supra* note 5.

<sup>46</sup> *See*, Article III FCTC, *supra* note 5.

<sup>47</sup> *See also*, Article XI FCTC, *supra* note 5.

However, while citing Article VIII, one has to prove the “necessary” requirement. It should be noted that WHO already has recognized tobacco consumption as an epidemic.<sup>48</sup>

In the Doha Declaration, member countries recognized that TRIPS doesn’t prevent members from taking measures to protect public health.<sup>49</sup> The Public health declaration already can be seen as providing higher importance to the public health exception under the TRIPS, and under whose light the TRIPS agreement shall be interpreted.<sup>50</sup> Further, the importance of Article VII<sup>51</sup> and Article VIII<sup>52</sup> can be understood from the Doha declaration. The statement of WTO General Council Director-General Carlos Perez Del Castillo emphasized that “the amendment should be used in good faith to protect public health and... Not be an instrument to pursue industrial or commercial policy objective”<sup>53</sup> In another declaration of Punta Del Este, member countries have agreed to implement the FCTC measures, for the purpose of tobacco control.<sup>54</sup>

#### Necessity test in WTO

Inquiry into the Public Health aspect of Tobacco and Plain Packaging leads into the “necessity” of such measures. “Necessity test” has its own jurisprudence in the WTO legal framework. In several cases related to the GATT or GATS, the issue of necessity has been discussed. Several WTO decisions were made regarding the “necessity test”. In the case of EC-Asbestos, the panel observed that “Protecting human health is considered to be a goal of the highest importance”<sup>55</sup> and that the right to determine the protection measures regarding

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<sup>48</sup> WHO REPORT ON THE GLOBAL TOBACCO EPIDEMIC, 2008: THE MPOWER PACKAGE, (World Health Organization & Research for International Tobacco Control eds., (2008).

<sup>49</sup> See, “4. We agree that the TRIPS Agreement does not and should not prevent members from taking measures to protect public health.” Doha Declaration, WTO Doc WT/MIN(01)/DEC/2 (20 November 2001)

<sup>50</sup> Scott Lucyk, *Patent, Politics and Public Health: Access to Essential Medicines Under the TRIPS Agreement*, 38 OTTAWA L. REV. 191-216 (2007).

<sup>51</sup> See “The protection and enforcement of intellectual property rights should contribute to the promotion....in a manner conducive to social and economic welfare, and to a balance of rights and obligations” Article VII, *supra* note 10.

<sup>52</sup> See “Members may, in formulating or amending their laws and regulations, adopt measures necessary to protect public health and nutrition” Article VIII, *supra* note 10.

<sup>53</sup> James Thuo Gathi, *The Legal Status of the Doha Declaration on TRIPS and Public Health under the Vienna Convention on the Law of Treaties*, 15 HARVARD JOURNAL OF LAW AND TECHNOLOGY 291 (2002).

<sup>54</sup> Punta del Este Declaration, WHO-FCTC/COP/4/DIV/6.

<sup>55</sup> See, t’he Appellate Body noted that in this case, the objective pursued by the measure was the preservation of human life and health, a value both "vital" and "important in the highest degree". European Communities — Measures Affecting Asbestos and Products Containing Asbestos, Appellate Body Report, para. 172, WT/DS135/AB/R (12 March 2001).

health which is an appropriate vest with the members.<sup>56</sup> In another case of US-Gasoline,<sup>57</sup> the panel observed that countries are free to set their own objective with regards to public health and environmental protection. The most important provision to look into is the Article XX (b) of GATT, which is very similar to Article VIII of TRIPS, and both provide for the exception in relation to the public health measures.<sup>58</sup> WTO jurisprudence says that the measures taken shouldn't be unjustifiable, arbitrary or a trade-distorting measure. In US-Section 337 case, the panel observed that the necessity of the measures can be determined by looking into the other alternative, which would be least inconsistent to the WTO provisions.<sup>59</sup> However, in later cases, like US-Korea beef case, the necessary measures were interpreted, with the help of Vienna convention Article XXXI, as a "range of degree of necessity".<sup>60</sup> In the same case, the panel observed that the process of necessity should be judged by "weighing and balancing a series of factors".<sup>61</sup> When necessity test is applied to plain packaging, many reports can be cited, such as WHO reports,<sup>62</sup> national reports,<sup>63</sup> independent body reports,<sup>64</sup> advocating for the plain packaging, for curbing the tobacco consumption. Considering the above-mentioned

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<sup>56</sup> See also, "right to determine the level of protection of health that [it] consider[s] appropriate in a given situation" *id* at para. 168.

<sup>57</sup> "Under the General Agreement, WTO Members were free to set their own environmental objectives, but they were bound to implement these objectives through measures consistent with its provisions, notably those on the relative treatment of domestic and imported products" US – Gasoline, Panel Report, WT/DS2/R 29 para. 7.1; *See also* para. 6.22, DS2. (January 1996).

<sup>58</sup> Monique L. Corday, *GATT v. WIPO*, 76 J. PAT. & TRADEMARK OFF. SOC'Y, 121 (1994).

<sup>59</sup> See, "It was clear to the Panel that a contracting party cannot justify a measure inconsistent with another GATT provision as "necessary" in terms of Article XX(d) if an alternative measure which it could reasonably be expected to employ and which is not inconsistent with other GATT provisions is available to it. By the same token, in cases where a measure consistent with other GATT provisions is not reasonably available, a contracting party is bound to use, among the measures reasonably available to it, that which entails the least degree of inconsistency with other GATT provisions" United States – Section 337 of the Tariff Act of 1930, BISD 36S/345-402 ( L/6439 ), paragraph 5.26.

<sup>60</sup> "As used in Article XX(d), the term "necessary" refers, in our view, to a range of degrees of necessity. At one end of this continuum lies "necessary" understood as "indispensable"; at the other end, is "necessary" taken to mean as "making a contribution to." We consider that a "necessary" measure is, in this continuum, located significantly closer to the pole of "indispensable" than to the opposite pole of simply "making a contribution to" Korea –Beef, Appellate Body Report , WT/DS161/AB/R , WT/DS169/AB/R , paragraphs 160-161.

<sup>61</sup> See also, "In sum, determination of whether a measure, which is not "indispensable", may nevertheless be "necessary" within the contemplation of Article XX(d), involves in every case a process of weighing and balancing a series of factors which prominently include the contribution made by the compliance measure to the enforcement of the law or regulation at issue, the importance of the common interests or values protected by that law or regulation, and the accompanying impact of the law or regulation on imports or exports." *Id* at para. 164.

<sup>62</sup> *Supra* note 5.

<sup>63</sup> Department of Health | Evaluation of tobacco plain packaging in Australia, Health.gov.au (2019), <http://www.health.gov.au/internet/main/publishing.nsf/Content/tobacco-plain-packaging-evaluation> (last visited Jan 4, 2019).

<sup>64</sup> Report of the Independent Review undertaken by Sir Cyril Chantler, Kcl.ac.uk (2019), <http://www.kcl.ac.uk/health/10035-TSO-2901853-Chantler-Review-ACCESSIBLE.PDF> (last visited Jan 4, 2019).

reports, it can be concluded that Plain packaging is not only the least trade distorting measure, but it's a necessary step which has to be taken to get rid of the tobacco consumption.

**MUNICIPAL PERSPECTIVE: UNITED KINGDOM AND INDIA**

Apart from Australia, several countries have tried to implement policy similar to that of 'plain packaging' to curb tobacco consumption like UK and India.<sup>65</sup> The UK regulations regarding plain packaging were challenged by the tobacco industry in one case, where one of the arguments was that such regulation violates TRIPS. In the UK case,<sup>66</sup> the judges tried to analyze the TRIPs and FCTC provisions, and connect them to come to the conclusion that plain packaging is a valid law. The court opined that the plain packaging regulation in the UK is only in consonance with the WHO policy, i.e. FCTC. FCTC is one of the treaties which is endorsed widely by 180 countries, which gives more legitimacy to this policy. In this case, the grounds used for attacking plain packaging ranged from the legality of regulations, "limited weight"<sup>67</sup> attached to the evidence, lack of proportionality, violation of property etc. The most important challenge out of these was the lack of proportionality of measures and limited weight attached to evidence. The court in this regard was of the opinion that since FCTC measures are based on scientific evidence, and hence tobacco company submission contrary to it, cannot be justified. On the second ground of proportionality, the court was of the opinion that the court must make its own conclusion about the legitimacy of the evidence and fact. The tobacco company argued that the plain packaging will actually harm the public health, and hence it is untenable. The reason for this stand, which they provide, is that since the prices will go down after stripping the brand value, more people will consume tobacco products. However, the Court agreed with the evidence provided by the UK Secretary of State, which included expert evidence which deems the tobacco company's assertion as illogical and flawed. Court also rejected the claim that there is a less intrusive but equally effective way of challenging the tobacco consumption.<sup>68</sup>

Similarly, India also had a history of implementing policy mechanisms to curb tobacco consumption on health grounds. In 2003, India enacted Cigarettes and Other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply

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<sup>66</sup> BRITISH AMERICAN TOBACCO (UK) LIMITED & others vs SECRETARY OF STATE FOR HEALTH [2016] EWHC 1169, Royal Court of Justice, UK.

<sup>67</sup> *Id.*

<sup>68</sup> *Id.* at para 2.1.

and Distribution) Act (COTPA)<sup>69</sup> which mandated that tobacco products should include health warnings on its packet which is legible and large enough.<sup>70</sup> An amended guidelines were implemented in 2016<sup>71</sup> which directed that 85% of the tobacco packet should be covered with health warning, placing India at the 4<sup>th</sup> rank only after Nepal, Vanuatu and Thailand for the mandated health warning coverage.<sup>72</sup> In 2017, these guidelines were challenged in Karnataka High Court where the court gave the order to strike down the new guidelines as they put ‘unjustified burden’ upon the tobacco manufacturer.<sup>73</sup> However, a special leave petition was filed in Supreme Court of India (S.C.),<sup>74</sup> wherein the S.C. directed a stay on the order of Karnataka High Court, observing that they were “inclined to think that health of a citizen has primacy and he or she should be aware of that which can affect or deteriorate the condition of health.”<sup>75</sup> Nevertheless, it has to be said that ‘pictorial warning’ is not same as ‘plain packaging’. Plain packaging entails standardization of packets without the use of ‘brand-names’, trademarks etc., which are used to make a packaging more attractive. Thus, any law which would implement plain packaging in India<sup>76</sup> will surely get challenged on many grounds by the tobacco industry. However, as has been already discussed above, any challenge to ‘plain packaging’ is bound to fail.<sup>77</sup> Thus, India should escalate its war against tobacco consumption and implement plain packaging.<sup>78</sup>

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<sup>69</sup> The Cigarettes and Other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, 2003, No. 34 of 2003.

<sup>70</sup> Section 2 to Section 7, *id.*

<sup>71</sup> Ministry of Health and Family Welfare, 2014. Notification – GSR 727(E) Cigarettes and Other Tobacco Products (Packaging and Labelling) Amendment Rules, 2014, <https://clpr.org.in/wp-content/uploads/2018/10/2014-Amendment-Rules-GSR-727E.pdf> (last visited 4th June 2019).

<sup>72</sup> Bindu, Shajan, India ranked 5th in pictorial warning on tobacco products - The Hindu, , <https://www.thehindu.com/sci-tech/health/india-ranked-5th-in-pictorial-warning-on-tobacco-products/article25127012.ece> (last visited Jun 4, 2019).

<sup>73</sup> THE TOBACCO INSTITUTE OF INDIA & Ors vs Union of India & Ors 2017, High Court of Karnataka, W.P.No.4470/2015.

<sup>74</sup> Amit Yadav et al., *Smokeless tobacco control: Litigation & judicial measures from Southeast Asia*, 148 INDIAN JOURNAL OF MEDICAL RESEARCH 25 (2018).

<sup>75</sup> Health For Millions Trust vs Union Of India on 8 January, 2018, SLP(C) 37348/2017.

<sup>76</sup> Panda B, 2014. The cigarettes and other tobacco products (prohibition of advertisement and regulation of trade and commerce, production, supply and distribution) amendment bill, 2014 <http://164.100.47.4/BillsTexts/LSBillTexts/Asintroduced/1432LS.pdf> (accessed 10 Oct 2017)

<sup>77</sup> Amit Yadav et al., *Plain packaging of tobacco products: the logical next step for tobacco control policy in India*, 3 BMJ GLOBAL HEALTH e000873 (2018).

<sup>78</sup> Prasad Ravindranath, INDIA SHOULD SOON INTRODUCE PLAIN PACKAGING SCIENCE CHRONICLE (2019), <https://journosdiary.com/2019/01/02/india-plain-packaging-tobacco-cigarette/> (last visited Jun 3, 2019).

## CONCLUSION

Tobacco Companies have mounted challenges on different levels to the plain packaging, one of which is in WTO, and in municipal levels such as the UK<sup>79</sup> and Australian Case.<sup>80</sup> From the above analysis regarding TRIPS, we can see that the several accusations regarding the violation of TRIPS fall flat on its face, and they are nothing but delaying tactics on the part of Tobacco companies. The most important conclusion one can derive is that there is no right to use given under the trademark. A right to prevent is provided under Article XVI of TRIPS, but then again such right has not been disturbed by the plain packaging. In this paper, another conclusion that can be derived is that the encumbrance under article XX is a justified encumbrance, as TRIPS provide enough independence to the members to formulate their own laws and regulation for measures to protect the public health. WTO, which is a UN body, supports plain packaging, and that is why FCTC was formulated. Even Article XXV of TRIPS agreement doesn't provide any such right to use, although it talks about the right to register, then plain packaging doesn't prevent the registration of trademarks.

Lots of countries are waiting for the WTO case to be solved so that they can implement their own Plain packaging measures. Some countries like the UK and Australia have already implemented such measures. Plain packaging is not something new, it was a concept which was discussed for a long time and even practiced partially in some countries. The evidence regarding the success of the plain packaging may be debatable, but the main objective of the plain packaging is to decrease the smoking habits of a first time smokers.<sup>81</sup> Another problem that plain packaging faces is that its positive result will be long term, and in short time one cannot find the significant change in smoking patterns, so the submission of the tobacco companies in that regard is futile. Other criticism regarding the Plain packaging is the argument of "slippery slope". Questions such as what is next, will there be a plain packaging like measure for alcohol beverages, fast food, or medicine etc, as the member countries will cite such measures as protecting the public health of their citizens are cited by the critics of the plain packaging, bemoaning that such measures will lead to trade distortion and weakening of IPR. However, though the future cannot be predicted with any certainty, it must be noticed that the issue at hand is one of Tobacco control, and there is a consensus among the countries of the world that deem the tobacco consumption as a menace to the public health. WTO FCTC

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<sup>79</sup> *Id.*

<sup>80</sup> *JT International SA & others vs. Commonwealth of Australia* S409/2011 & S389/2011 [2012] HCA 43.

<sup>81</sup> Marcus R. Munafò et al., *Plain packaging increases visual attention to health warnings on cigarette packs in non-smokers and weekly smokers but not daily smokers*, 106 *ADDICTION* 1505-1510 (2011).

endorsement by a majority of the countries in the world is a testament to this consensus. If alcohol or fast food can be deemed as a public health risk then member countries are free to take measures regarding them in consonance with the TRIP agreement, and if such measures satisfy the necessity test.

One suggestion that can be provided to the WTO is to come up with a Directory Guidelines regarding the plain packaging measures, which will provide further legitimacy to the plain packaging and it may lead to a more uniform approach towards plain packaging across the member states. Otherwise, tobacco companies will attack such measure continuously and delay them further, and it might lead to the small countries being bullied by the big tobacco manufacturers. There is a need for a joint report by WTO and WHO secretariat but the recommendations should be included or adopted in the ministerial meeting; otherwise, there is always a scope of confusion regarding such a measure. Such recommendation by the WTO should be done in consonance with the proportionality test, where the less trade-distorting measures should be adopted. Another reason for such guidelines regarding the plain packaging is that plain packaging, in essence, is a step to protect the consumers and the health of the people, as proclaimed by the FCTC. It is safeguarding the people against smoking, without being too intrusive and autocratic, which in itself is a novel way to fight tobacco smoking.

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