

# WORLD TRADE ORGANIZATION

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## AUSTRALIA – CERTAIN MEASURES CONCERNING TRADEMARKS AND OTHER PLAIN PACKAGING REQUIREMENTS APPLICABLE TO TOBACCO PRODUCTS AND PACKAGING

### Request for Consultations by Honduras

The following communication, dated 4 April 2012, from the delegation of Honduras to the delegation of Australia and to the Chairperson of the Dispute Settlement Body, is circulated in accordance with Article 4.4 of the DSU.

Pursuant to Article 4 of the *Understanding on Rules and Procedures Governing the Settlement of Disputes*, Article 64 of the *Agreement on Trade-Related Aspects of Intellectual Property Rights* (TRIPs Agreement), Article 14 of the *Agreement on Technical Barriers to Trade* (TBT Agreement), and Article XXII of the *General Agreement on Tariffs and Trade 1994* (GATT 1994), the Government of Honduras requests consultations with the Government of Australia with respect to certain Australian restrictions on trademarks and other plain packaging requirements applicable to tobacco products for retail sale.

Australia regulates the appearance of marks and other design features on the retail packaging of tobacco products, as well as on the tobacco products themselves. It regulates the appearance of the brand, business, company or variant name in a standard form, font size and location. It prescribes the colour and the finish of retail packaging for all tobacco products and also prescribes the requirements for wrappers, inserts and onserts. In particular:

- The brand, business or company name on the retail packaging must be printed in Lucinda Sans typeface in regular font no larger than 14 points in Pantone Cool Gray 2C. The variant name must meet these requirements but cannot be larger than 10 points.
- All retail packaging for tobacco products must have a matt finish and be in drab dark brown (Pantone 448C), with the exception of the health warnings, the text of the brand, business, company or variant name and the relevant legislative warnings.

Non-cigarette tobacco products, such as cigars, may include a band in Pantone 448C, on which the following marks may appear: the brand, company or business name and variant name, the name of the country in which the cigar was made or produced, and an alphanumeric code. These marks may each appear only once on the band and must be printed in Lucinda Sans typeface, no larger than 10 points in regular font in Pantone Cool Gray 2C.

Honduras understands that Australia maintains these measures through the following instruments:

- An Act to discourage the use of tobacco products, and for related purposes, Act No. 148 of 2011 (Tobacco Plain Packaging Act 2011);
- The Tobacco Plain Packaging Regulations 2011, Select Legislative Instrument 2011, No. 263 as amended (Tobacco Plain Packaging Regulations 2011). These regulations apply to the retail packaging and appearance of both cigarettes and non-cigarette tobacco products; and,
- The Trade Marks Amendment (Tobacco Plain Packaging) Act 2011.

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

- Article 20 of the TRIPs Agreement, because the use of a trademark is unjustifiably encumbered by special requirements, such as (i) use in a special form, for example, the specific font size and colour of the brand, business or company name, and, (ii) use in a manner detrimental to the trademark's capability to distinguish tobacco products of one undertaking from tobacco products of other undertakings;
- Article 16.1 of the TRIPs Agreement, because the measures prevent owners of registered trademarks from enjoying the rights conferred by a trademark;
- Article 15.4 of the TRIPs Agreement, because the nature of the goods to which a trademark is to be applied forms an obstacle to the registration of the trademark;
- Article 2.1 of the TRIPs Agreement incorporating the provisions of the Paris Convention, in particular, (i) Article *6quinquies*, because trademarks registered in a country of origin outside Australia are not protected "as is", and, (ii) Article *10bis*, because Australia does not provide effective protection against unfair competition to nationals of other countries of the Union and creates confusion between goods of competitors;
- Article 24.3 of the TRIPs Agreement, because Australia is diminishing its level of protection for geographical indications below the level that existed prior to 1 January 1995;
- Article 22.2(b) of the TRIPs Agreement, because Australia does not provide effective protection against acts of unfair competition with respect to geographical indications and creates confusion among consumers related to the origin of the good;
- Article 3.1 of the TRIPs Agreement, because Australia accords to nationals of other Members treatment less favourable than it accords to its own nationals with respect to the protection of intellectual property;
- Article 2.2 of the TBT Agreement, because the technical regulations at issue create unnecessary obstacles to trade that are more trade-restrictive than necessary to fulfil a legitimate objective; and,

- Article 2.1 of the TBT Agreement and Article III:4 of the GATT 1994, because the measures at issue result in treatment less favourable of imported products than of like products of national origin.

Honduras considers that Australia cannot justify its measures pursuant to either Article 8 of the TRIPs Agreement as necessary to protect human health because they are not consistent with the provisions of the TRIPs Agreement or Article 17 of the TRIPs Agreement as a "limited exception" to the rights conferred by a trademark.

In addition to the instruments listed above, this request covers any amendments, extensions, related instruments or practices. Honduras reserves the right to raise additional legal claims or matters during the course of consultations.

Honduras looks forward to receiving your response to this request. I propose that the date and venue of the consultations be agreed between our two missions.

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