



**AUSTRALIA – CERTAIN MEASURES CONCERNING TRADEMARKS,
GEOGRAPHICAL INDICATIONS AND OTHER PLAIN PACKAGING REQUIREMENTS
APPLICABLE TO TOBACCO PRODUCTS AND PACKAGING**

REQUEST FOR THE ESTABLISHMENT OF A PANEL BY INDONESIA

The following communication, dated 3 March 2014, from the delegation of Indonesia to the Chairperson of the Dispute Settlement Body, is circulated pursuant to Article 6.2 of the DSU.

On 20 September 2013, the Government of Indonesia requested consultations with the Government of Australia pursuant to Article 4 of the *Understanding on Rules and Procedures Governing the Settlement of Disputes* ("DSU"), Article XXII of the General Agreement on Tariffs and Trade 1994 ("GATT 1994"), Article 64.1 of the *Agreement on Trade-Related Aspects of Intellectual Property Rights* ("TRIPs Agreement"), and Article 14.1 of the *Agreement on Technical Barriers to Trade* ("TBT Agreement") with respect to certain Australian laws and regulations that impose restrictions on trademarks, geographical indications, and other plain packaging requirements on tobacco products and packaging.

Consultations were held on 29 October 2013 with a view to reaching a mutually satisfactory solution. These consultations clarified certain issues pertaining to this matter, but failed to resolve the dispute. Therefore, Indonesia respectfully requests, pursuant to Articles 4.7 and 6 of the *DSU*, Article XXIII of *GATT 1994*, Article 64.1 of the *TRIPs Agreement*, and Article 14.1 of the *TBT Agreement*, that the Dispute Settlement Body ("DSB") establish a Panel to examine this matter. Indonesia asks that this request be placed on the agenda of the DSB meeting to be held on 26 March 2014. Indonesia further requests that the Panel have the standard terms of reference, as set forth in Article 7.1 of the *DSU*.

A. Specific Measures at Issue

This request for establishment of a Panel concerns the following measures:

- *Tobacco Plain Packaging Act 2011*, Act No. 148 of 2011, "An Act to discourage the use of tobacco products, and for related purposes";
- *Tobacco Plain Packaging Regulations 2011* (Select Legislative Instrument 2011, No. 263), as amended by the *Tobacco Plain Packaging Amendment Regulation 2012* (No. 1) (Select Legislative Instrument 2012, No. 29);
- *Trade Marks Amendment (Tobacco Plain Packaging) Act 2011*, Act No. 149 of 2011, "An Act to amend the *Trade Marks Act 1995*, and for related purposes"; and
- Any related measures adopted by Australia, including measures that implement, complement or add to these laws and regulations, as well as any measures that amend or replace these laws and regulations.

The measures apply to the retail sale of cigarettes, cigars, and other tobacco products. The measures establish comprehensive requirements regarding the appearance and form of the retail packaging of tobacco products, as well as the tobacco products themselves. The measures also

establish penalties, including criminal sanctions, for the violation of these requirements. The measures require, *inter alia*, the following:

- With respect to the retail packaging of tobacco products, the measures (i) regulate the appearance of trademarks and geographical indications, including by prohibiting the display of design and figurative features, including those forming part of these intellectual property rights; (ii) prescribe that the brand and variant names forming part of trademarks appear on the front face, top and bottom of the package in a uniform typeface, font, size, color, and placement¹; (iii) prohibit the display of other words (except for basic information, including country of origin and manufacturer contact details); and (iv) mandate a matt finish and drab dark brown color (Pantone 448C) for retail packaging;
- the measures establish that individual cigarettes may not display trademarks, geographical indications or any other marking other than an alphanumeric code for product identification purposes;
- the measures provide that individual cigars may carry: the brand name, variant name, country of origin, and an alphanumeric code; these must be displayed in a uniform typeface, font, size, and color on a single band in a drab dark brown color (Pantone 448C)²; and
- the measures regulate other aspects of both tobacco packaging and tobacco products, such as the following requirements: (i) a retail package for cigarettes must be in a prescribed size, form and material; (ii) cigarettes must be white³; and (iii) a cigar tube must be cylindrical, rigid, and have an opening of at least 15 mm.

B. Legal Basis of the Complaint

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 *TBT Agreement*, the *TRIPS Agreement*, and the *GATT 1994*:

- Article 2.1 of the *TBT Agreement*, because the technical regulations at issue accord to imported tobacco products treatment less favorable than that accorded to like products of national origin;
- Article 2.2 of the *TBT Agreement*, because the technical regulations at issue create unnecessary obstacles to trade because they are more trade-restrictive than necessary to fulfill a legitimate objective;
- Article 1.1 of the *TRIPS Agreement*, because Australia has failed to give effect to the following provisions of the *TRIPS Agreement*;
- Article 2.1 of the *TRIPS Agreement*, which incorporates the provisions of the *Paris Convention for the Protection of Industrial Property*, as amended by the Stockholm Act of 1967 ("*Paris Convention*"), in particular, (i) Article 6*quinquies* of the *Paris Convention*, because trademarks registered in a country of origin outside Australia are not protected "as is"; and, (ii) Article 10*bis* of the *Paris Convention*, because Australia does not provide effective protection against unfair competition, for example, creating confusion between the goods of competitors;

¹ The brand name and variant must be displayed in Lucida Sans typeface; no larger than 14 points for the brand name and 10 points for the variant name; with only the first letter capitalized; in regular font; in the color Pantone Cool Gray 2C; and below the graphic health warning on the front surface of cigarette packs.

² They must appear only once on the band and be displayed in Lucida Sans typeface; no larger than 10 points in size; in regular font; and in the color Pantone Cool Gray 2C. The brand and variant name should be placed horizontally along the length of the band so that they run around the circumference of the cigar.

³ However, a cigarette may include an imitation cork tip that is printed brown, and is placed over a filter tip.

- Article 3.1 of the *TRIPS Agreement*, because Australia accords to nationals of other Members treatment less favorable than it accords to its own nationals with respect to the protection of intellectual property;
- 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 16.1 of the *TRIPS Agreement*, because the measures prevent owners of registered trademarks from enjoying the rights conferred by a trademark;
- Article 16.3 of the *TRIPS Agreement*, because the measures prevent owners of registered trademarks that are "well known" or might become "well known" from enjoying the rights conferred by a trademark;
- Article 20 of the *TRIPS Agreement*, because the use of trademarks in relation to tobacco products is unjustifiably encumbered by special requirements, such as (i) use in a special form, for example, the uniform typeface, font, size, color, and placement of the brand 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 22.2(b) of the *TRIPS Agreement*, because Australia does not provide effective protection against acts of unfair competition with respect to geographical indications, for example, creating confusion among consumers with respect to the origin of goods;
- Article 24.3 of the *TRIPS Agreement*, because Australia is diminishing the level of protection it affords to geographical indications as compared with the level of protection that existed prior to 1 January 1995; and
- Article III:4 of the *GATT 1994*, because the measures at issue accord to imported tobacco products treatment less favorable than that accorded to like products of national origin.

C. Request for the Establishment of a Panel

Accordingly, Indonesia requests, pursuant to Article 4.7 and 6 of the *DSU*, Article XXIII of *GATT 1994*, Article 64.1 of the *TRIPs Agreement*, and Article 14.1 of the *TBT Agreement*, that the DSB establish a Panel with the standard terms of reference as set out in Article 7.1 of the *DSU*. Indonesia asks that this request be placed on the agenda of the meeting of the DSB scheduled for 26 March 2014.
