PACKAGING DOMESTIC INTERESTS INTO INTELLECTUAL PROPERTY LAW: LESSONS FROM TOBACCO PLAIN PACKAGING DISPUTES

GENEVIEVE WILKINSON*

Abstract

Disputes about tobacco plain packaging legislation highlight the complex interplay between trade and investment agreements and domestic regulatory autonomy to protect public welfare objectives when developing intellectual property legislation. This article evaluates whether recent decisions about Australia's plain packaging measures in the WTO Dispute Settlement Body permit effective intellectual property calibration for local conditions in Australia. It finds that states should feel more confident about developing intellectual property policy that restricts the interests of intellectual property owners but is consistent with social welfare interests and non-WTO agreements such as the Framework Convention on Tobacco Control. It recommends a series of questions for legislators to consider when restricting intellectual property rights. The Philip Morris–Uruguay arbitration on Uruguayan tobacco packaging measures demonstrates that the proposed approach could also be useful to support contested intellectual property legislation in investor state disputes. The article argues that adopting this approach can support both calibration of domestic interests in domestic intellectual property laws and better integration of different fields of international law such as human rights obligations.

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I. INTRODUCTION

For many years the restrictions imposed by Australian tobacco plain packaging legislation on the use of trade marks have focused attention on the value of tobacco trade marks to owners and the impact of trade mark use on the protection of public interests. Trade marks can benefit the public by providing a sign of origin that reduces the time needed to search for a good or service of known quality. Trade mark protection deters imitators from using these signs and encourages trade mark owners to invest in their marks and maintain consistent standards so that consumers confidently rely on the effectiveness of the sign. Successful trade marks become valuable to owners as business assets. The World Trade Organization (WTO) Agreement on Trade Related Aspects of Intellectual Property (TRIPS) facilitates this by requiring states to give protection to well-known trade marks, in addition to the rights generally afforded to registered marks that distinguish goods and services from other undertakings.[1] But where does

* Lecturer, University of Technology Sydney. The author is grateful for helpful comments on this research from Harry Hobbs, Evana Wright, Natalie Stoianoff, Jill McKeough, Beth Goldblatt, participants at the 2019 Australian IP Academics Conference and participants at the 38th Annual Congress of ATRIP. Research for this article was undertaken whilst the author was supported by the Quentin Bryce Doctoral Scholarship and an Australian Government Research Training Program Scholarship. The author also thanks the two anonymous reviewers for their helpful comments that have improved this work.

[1] *Marrakesh Agreement Establishing the World Trade Organization*, opened for signature 15 April 1994, 1867 UNTS 3 (entered into force 1 January 1995) annex 1C ('*Agreement on Trade-Related Aspects of Intellectual*

the public interest lie when these property interests in intellectual property assets are used by business to restrict the government from pursuing other policies that benefit the public? This article uses disputes about plain packaging to show the way that international obligations can impact domestic intellectual property policies and identifies lessons from recent disputes to understand how these obligations should influence future policy development.

The disputes surrounding the introduction and implementation of tobacco plain packaging highlight tensions for Australian policymakers regarding effective calibration of domestic interests relevant to intellectual property and compliance with international obligations to protect both domestic health and intellectual property. Tobacco plain packaging has been introduced in Australia as part of a comprehensive strategy to reduce tobacco consumption by restricting tobacco advertising. The impact of tobacco plain packaging on owners of tobacco trade marks in Australia and Uruguay has prompted two investor-state disputes as well as claims that Australian plain packaging legislation breaches WTO obligations for members. Yet, in interpreting these claims, decision makers have recognised limitations to owner rights that balance against increasingly broad protection of trade mark rights. As international obligations to uniformly protect intellectual property rights continue to expand through trade harmonisation, these limitations become important ways to protect user and public interests. These contests have significance for legislators in different jurisdictions seeking to introduce similar legislation.[2]

Trade harmonisation restricts domestic regulatory autonomy to develop intellectual property policy. The inclusion of TRIPS in the WTO regime in 1995 meant that disputes about implementation of intellectual property standards by individual WTO members could be contested using the dispute settlement mechanisms of the WTO. The Dispute Settlement Body is structured so that decisions of WTO panels can be appealed on certain grounds to the standing Appellate Body.[3] Findings by WTO panels and appellate bodies that members were not complying with their obligations pursuant to WTO agreements, including TRIPS, could result in recommendations to change those non-compliant measures. Where these recommendations are not implemented, this can lead to the imposition of retaliatory trade sanctions and other measures such as orders to pay compensation being imposed on non-compliant members.[4] These consequences were considered to be much more effective at encouraging compliance with intellectual property obligations than the unused dispute resolution mechanisms for existing international intellectual property agreements.[5] More recently, protection for investors in both trade and investment agreements has enabled investor state disputes to be used by foreign investors to claim significant compensation for intellectual property assets that are alleged to be negatively impacted by legislative policy or judicial

Property Rights') arts 15-16 ('*TRIPS*'); *Paris Convention for the Protection of Industrial Property*, opened for signature 20 March 1883, 828 UNTS 305 (entered into force 6 July 1884, revised at Stockholm 14 July 1967, amended 28 September 1979) art 6, quinquies B.

[2] Jennifer Tobin documents obstacles faced by legislators seeking to introduce plain packaging legislation: Jennifer L Tobin, 'The Social Cost of International Investment Agreements: The Case of Cigarette Packaging' (2018) 32(2) *Ethics & International Affairs* 153.

[3] *Marrakesh Agreement Establishing the World Trade Organization*, opened for signature 15 April 1994, 1867 UNTS 3 (entered into force 1 January 1995), annex 2 (*Understanding on Rules and Procedures Governing the Settlement of Disputes*) 1869 UNTS 401, arts 16-17.

[4] Ibid art 22.

[5] Yu notes that some commentators were less enthusiastic about the likely effectiveness of the TRIPS enforcement procedures: Peter K Yu, 'TRIPS and Its Achilles Heel' (2011) 18(2) *Journal of Intellectual Property Law* 479, 481-483.

decisions.[6] These mechanisms can significantly influence domestic intellectual property policy for states involved.[7] Disputes about Australia's plain packaging measures, together with the investor state arbitration brought by Philip Morris against Uruguay's tobacco packaging measures, have also meant that other states are unwilling to enact similar policies that may expose them to the multiple risks associated with lengthy, resource-intensive litigation.[8]

This article examines the guidance provided by the recent WTO Panel Decision, *Australia – Plain Packaging Measures* (the Panel Decision)[9] and the subsequent decision by the Appellate Body (the Appellate Body Decision)[10] (the Plain Packaging Decisions). It identifies the ways that the decisions permit policy makers to better understand how TRIPS flexibilities can be used to justify limitations to intellectual property protection. The multiple claims brought against Australia indicate that even though it is a long time since the last dispute about TRIPS compliance was decided in 2009, WTO members are prepared to use WTO dispute mechanisms to enforce TRIPS obligations against other members.[11] However, the Plain Packaging Decisions demonstrate that states can exercise flexibility mechanisms found in TRIPS to recognise the interests of stakeholders other than owners, if states use a careful approach to developing legislation that transparently justifies their reasons for restricting owner interests. The article also explores how the Plain Packaging Decisions support an approach to restricting owner rights that permits states to recognise relevant international obligations found in non-WTO agreements. This can contribute towards systemic integration of separate fields of international law such as human rights law. Systemic integration can reduce the impact of separate institutional development of binding international legal obligations that restricts coherency between international obligations for states.[12] A clear example of institutional separation is the development of TRIPS in the WTO, separate from the United Nations-based World Intellectual Property Organisation (WIPO).[13] However, the Plain Packaging Decisions show how non-WTO obligations, including the World Health Organisation Framework

[6] Cynthia Ho, 'A Collision Course between TRIPS Flexibilities and Investor-State Proceedings' (2016) 6 *UC Irvine Law Review* 395, 403.

[7] Dreyfuss and Frankel give examples of the influence of trade and investment agreements on intellectual property laws: Rochelle Dreyfuss and Susy Frankel, 'From Incentive to Commodity to Asset: How International Law is Reconceptualizing Intellectual Property' (2015) 36(4) *Michigan Journal of International Law* 557, 566-572.

[8] Tobin (n 2) 161-162; Sera Mirzabegian, 'Big Tobacco v Australia: Challenges to Plain Packaging' (2019) 4(1) *Business and Human Rights Journal* 177, 182; Lukasz Gruszczynski, 'Australian Plain Packaging Law, International Litigation and Regulatory Chilling Effect' (2014) 5(2) *European Journal of Risk Regulation* 242, 244; Eric Crosbie, *Constraining Government Regulatory Authority: Tobacco Industry Trade Threats and Challenges to Cigarette Package Health Warning Labels* (PhD Thesis, University of California, 2016) 284–289 <https://escholarship.org/uc/item/7tr077rr#main>.

[9] Panel Reports, *Australia – Tobacco Plain Packaging*, WTO Doc WT/DS435/R, WT/DS441/R, WT/DS458/R, WT/DS467/R (*Australia – Tobacco Plain Packaging*).

[10] Appellate Body Reports, *Australia – Certain Measures Concerning Trademarks, Geographical Indications and Other Plain Packaging Requirements Applicable to Tobacco Products and Packaging* (WTO Doc WT/DS435/R, WT/DS441/R (9 June 2020)) (*Australia - AB Report*).

[11] This is in contrast to the Paris Convention: this agreement permits resolution of disputes through the ICJ, but intellectual property disputes have not been addressed in this forum: Sam Ricketson, *The Paris Convention for the Protection of Industrial Property: A Commentary* (Oxford University Press, 2015) 323.

[12] Henning Grosse Ruse-Khan, 'A Conflict-of-Laws Approach to Competing Rationalities in International Law: The Case of Plain Packaging between Intellectual Property, Trade, Investment and Health' (2013) 9(2) *Journal of Private International Law* 308, 331.

[13] Gervais finds the relationship between the organisations 'has been both co-operative and competitive': Daniel Gervais 'The relationship between WIPO and the WTO' in Sam Ricketson (ed) *Research Handbook on the World Intellectual Property Organization* (Edward Elgar Publishing, 2020) 227, 242.

Convention on Tobacco Control (FCTC) can be relevant to the protection and enforcement of intellectual property within the WTO.[14]

Part II examines how trade mark legislation engages a range of interests at a domestic level that need to be calibrated within a framework of international intellectual property standards. Building on lessons from the assessment in the Plain Packaging Decisions of whether Australia's plain packaging measures constitute special requirements that unjustifiably encumber the use of tobacco trade marks in the course of trade, Part III proposes approaches to developing legislation that permit states to both balance competing interests and better recognise a range of international obligations. Developing the guidance provided by the Plain Packaging Decision on how Articles 7 and 8 can be used to interpret TRIPS, Part III argues that WTO members can use a series of questions to make use of the flexibilities available for states within TRIPS and calibrate intellectual property policy more effectively. This involves explicitly assessing the extent to which legislation restricts intellectual property rights; whether the restrictions protect societal interests; the support available for the restrictions supported by societal interests, including recognising overlapping non-WTO obligations in international law; and any readily available alternatives to the restrictions that may effectively meet the desired societal objectives. Part IV considers implications of the decision for future intellectual property legislation to calibrate competing interests consistent with a range of international obligations, including protection in trade and investment agreements. The questions proposed can also be used to assist states to defend social welfare interests in investor state disputes.

II. PACKAGING AND CALIBRATION IN THE FRAGMENTED INTERNATIONAL LANDSCAPE

The way in which local conditions can be recognised through domestic intellectual property policy has changed as a result of the embedding of intellectual property obligations into trade and investment agreements, most prominently in TRIPS and, increasingly, through the use of investor state dispute mechanisms (ISDMs) in bilateral and plurilateral agreements to protect intellectual property assets. This means that domestic intellectual property policies that restrict the rights of intellectual property owners can be contested, even when there are strong public interests underlying the restrictive policies.[15] The framework provided by TRIPS can permit states to calibrate competing interests in domestic intellectual property legislation.[16] Local conditions relevant to intellectual property include 'local needs, national interests, technological capabilities, institutional capacities, and public health conditions'.[17] Gervais argues that following periods of harmonisation and then backlash to the implementation of intellectual property minimum standards through TRIPS, states have entered a period of calibration that permits legislators to balance a range of interests engaged in intellectual property in domestic legislation.[18]

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[14] *World Health Organization Framework Convention on Tobacco Control*, opened for signature 21 May 2003, 2302 UNTS 166 (entered into force 27 February 2005) ('*FCTC*').

[15] Gervais describes investor state disputes brought against Canada and Uruguay, respectively, by intellectual property owners pursuant to investment agreements: Daniel Gervais, 'Intellectual property: a beacon for reform of investor-state dispute settlement' (2018) 40 *Michigan Journal of International Law* 40 289.

[16] See Daniel J Gervais, 'IP Calibration' in Daniel J Gervais (ed), *Intellectual Property, Trade and Development: Strategies to Optimize Economic Development in a TRIPS-Plus Era* (Oxford University Press, 2nd ed, 2014) 86, 87-89.

[17] Peter K. Yu, 'The International Enclosure Movement' (2007) 82 *Indiana Law Journal* 827, 828.

[18] Gervais (n 16) 88-89.

Balancing provisions found in TRIPS Articles 7 and 8 permit WTO members to recognise certain local conditions relevant to domestic calibration.[19] Article 7 provides 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.[20]

Article 8.1 permits Members to

> 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.[21]

However, the small number of decisions interpreting TRIPS can make it difficult for states to understand how Articles 7 and 8 can be used to interpret the scope of the substantive provisions for intellectual property protection and enforcement in TRIPS.[22] The Plain Packaging Decisions provide important guidance as they use Articles 7 and 8 to interpret limitations on owner interests, giving greater insight into the extent to which TRIPS restricts domestic regulatory autonomy.

A. Tobacco Plain Packaging: public interests restricting intellectual property rights

Australia was the first country in the world to require plain packaging of all tobacco-related products.[23] This was a highly significant development in the context of broad bans on other forms of tobacco advertising throughout many countries worldwide.[24] In Australia, packaging was viewed as the last vehicle available for tobacco manufacturers to market their brand.[25] Arguably, tobacco related trade marks were key features of the branding and were used on packaging to advertise the products.[26] Accordingly, owners of the trade marks unsuccessfully attempted to stop the legislation in three separate disputes. The majority of the High Court of Australia rejected claims by tobacco companies that plain packaging legislation was inconsistent with constitutional requirements for appropriation of property on just terms, finding that the relevant intellectual property assets had not been appropriated as a result of the legislation.[27] Philip Morris then unsuccessfully attempted to claim that the legislation was

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[19] Molly Land, 'Rebalancing TRIPS' (2011) 33(3) *Michigan Journal of International Law* 433, 440.
[20] *TRIPS* art 7. Peter Yu argues that each part of this clause can operate as a separate objective: Peter K Yu, 'The Objectives and Principles of the TRIPS Agreement' (2009) 46(4) *Houston Law Review* 979, 1000.
[21] *TRIPS* art 8.
[22] Matthew Kennedy, *WTO Dispute Settlement and the TRIPS Agreement* (Cambridge University Press, 2016) xxxiv–xxxvi. See Antony Taubman, 'Australia's Interests Under TRIPS Dispute Settlement: Trade Negotiations by Other Means, Multilateral Defense of Domestic Policy Choice, or Safeguarding Market Access' (2008) 9(1) *Melbourne Journal of International Law* 217, 234.
[23] Supporting materials for plain packaging legislation identify Australia's leadership role introducing plain packaging as important to reducing global health impacts of tobacco consumption: Australian Government Department of Foreign Affairs and Trade, *National Interest Analysis [2004] ATNIA 7: World Health Organization Framework Convention on Tobacco Control, Done at Geneva on 21 May 2003* (2004) [7]. See Chapter 8, Section 8.3.2.2.
[24] Matthew Thomas, 'Tobacco Plain Packaging Bill 2011' (2011) 35 of 2011–2012 *Bills Digest,* 5.
[25] Ibid.
[26] Ibid, 11.
[27] *JT International SA v Commonwealth of Australia; British American Tobacco Australasia Ltd v Commonwealth of Australia* (2012) 250 CLR 1. The plaintiffs were JT International SA, British American Tobacco Australasia Ltd, British American Tobacco (Investments) Ltd and British American Tobacco Australia

inconsistent with the provisions of Australia's bilateral investment agreement with Hong Kong that protected foreign investors from expropriation of assets and treatment that was not fair and equitable.[28] The arbitral panel found the claim to be an abuse of process as the investment interests in the tobacco trade marks in dispute were not acquired by the claimant until after the introduction of plain packaging legislation was announced by the Australian government and the previous owner was not protected under the governing agreement.[29] Finally, Australia's plain packaging legislation has been contested in the WTO Dispute Settlement Body as inconsistent with WTO Agreements on Technical Barriers to Trade (TBT) and TRIPS.

These disputes can influence domestic public policy worldwide. Confidence about flexibility in international agreements to permit states to recognise non-owner interests can influence whether states are prepared to defend intellectual property policy that restricts the rights of intellectual property owners when it is contested. The cost of defending these lengthy actions is very significant and time consuming for states.[30] There is evidence that disputes about plain packaging legislation stopped or delayed a number of countries from adopting their own tobacco plain packaging legislation. Despite the strong health-based justifications and the positive impact likely from domestic reduction of tobacco consumption. New Zealand delayed introducing plain packaging legislation for several years amidst the multiple disputes.[31] In some cases there is further evidence that tobacco companies threatened to launch similar litigation if the states pursued their planned legislation and states subsequently withdrew or modified plain packaging legislation.[32] This 'chilling effect' of threats of litigation can be amplified by uncertainty as to the outcome of long-running disputes: the WTO disputes commenced in 2012 and the Appellate Body decision was delivered in 2020.[33] Australia's experience suggests that states need to develop legislation that balances competing public interests against owner rights very carefully so that it can withstand sustained attacks by intellectual property owners in multiple fora.

B. Local Conditions and Intellectual Property Calibration

In many domestic jurisdictions, intellectual property policy is justified by adopting a utilitarian approach that balances incentivising innovation through the grant of intellectual property monopolies against the impact of this on users of innovation.[34] Although there is a strong emphasis on the economic benefits that countries can obtain from effective commercialisation

Ltd. Philip Morris Ltd, Van Nelle Tabak Nederland BV and Imperial Tobacco Australia Ltd were supporting interveners.

[28] *Philip Morris Asia Ltd v Australia* (Notice of Arbitration, Australia/Hong Kong Investment Agreement for the Promotion and Protection of Investments) (Permanent Court of Arbitration, Case No 2012-12, 21 November 2011).

[29] *Philip Morris Asia Ltd v Australia* (Award on Jurisdiction and Admissibility) (Permanent Court of Arbitration, Case No 2012-12, 17 December 2015).

[30] When Philip Morris contested its plain packaging requirements in investor state arbitration, the Uruguay government strongly considered modifying the legislation to avoid extensive legal costs, even though they were ultimately successful in defending their legislation: Matthew Rimmer, 'The Chilling Effect: Investor-State Dispute Settlement, Graphic Health Warnings, The Plain Packaging of Tobacco Products, and the Trans-Pacific Partnership' (2017) 7(1) *Victoria University Law and Justice Journal* 76.

[31] Tobin (n 2) 158.

[32] Ibid 160-162; Crosbie (n 8) 284–289.

[33] Appellate Body Reports, *Australia - AB Report*, (n 10).

[34] William Fisher, 'Theories of Intellectual Property' in Stephen R Munzer (ed), *New Essays in the Legal and Political Theory of Property* (Cambridge University Press, 2001) 168, 169.

of intellectual property assets, there is also a recognition that excessive protection of intellectual property can have a negative impact on social welfare.[35]

These impacts can be addressed by defining the scope of an intellectual property monopoly to limit negative welfare impacts.[36] Local conditions that can be relevant to effective calibration of competing interests engaged by intellectual property policy vary between different states. The Australian Productivity Commission has emphasised the importance of establishing overarching principles to improve the coherency of the intellectual property system. These principles are effectiveness, efficiency, adaptability and accountability. [37] Although it noted other justifications and perspectives supporting intellectual property, the Productivity Commission clearly stated that the emphasis should be economic and 'should be to maximise the well-being of all Australians'. [38]

Dominant theoretical justifications for protection of intellectual property were not originally developed with a focus on international markets.[39] Economic theory focused on domestic markets and posited that, as short hand signals of origin and quality, trade marks facilitated the reduction of search costs for consumers.[40] The economic justification for trade mark protection primarily focuses on the way that trade marks can reduce consumer search costs by providing a reliable indication of origin and quality because owners can exclude free riders and be rewarded for providing consistent products.[41] Yet, protecting trade marks can limit access to signs that competitors and the public may wish to use.[42]

When TRIPS was negotiated, the most visible divisions were between developed and developing countries.[43] However, other local conditions can be very important. Some developed countries, particularly wealthier countries, can be leaders in a particular field of innovation and benefit from the support that intellectual property provides for commercialisation of that innovation.[44] For example, the Japan electronics industry benefited from strong consumer confidence in brands like Sony that were able to rely on intellectual property protection.[45] Yet within developed countries there are net importers and net exporters of intellectual property who benefit differently from strong protection for owners of intellectual property. Trade considerations often influence the willingness of these states to agree to higher protection for intellectual property that economically disadvantages them and can also be influenced by different levels of control between negotiating parties.[46] Concessions about intellectual property may be offset by reduction in trade barriers in industries that are not

[35] Keith E Maskus, *Private Rights and Public Problems: The Global Economics of Intellectual Property in the 21st Century* (Peterson Institute for International Economics, 2012) 11.
[36] Gervais (n 16) 89.
[37] Australian Government Productivity Commission, *Intellectual Property Arrangements*, Inquiry Report No 78 (2016) 74 ('*Productivity Commission Report*').
[38] Ibid 54.
[39] See William M Landes and Richard A Posner, 'Trademark Law: An Economic Perspective' (1987) 30(2) *Journal of Law and Economics* 265. See focus on domestic examples in Fisher (n 34).
[40] Landes and Posner (n 39) 269.
[41] Ibid 270.
[42] For examples of restrictions in Australia, see Genevieve Wilkinson 'Mitey Marks and Expressive Uses of Culturally Significant Trade Marks in Australia' (2019) 30(1) *Australian Intellectual Property Journal* 46.
[43] Yu, 'The Objectives and Principles of the TRIPS Agreement' (n 20) 1000–1008.
[44] Gervais considers the relationship between industries and innovation in the context of IP calibration: Gervais (n 16) 103-105.
[45] See *Sony v Dannoun* [2001] FCA 1235.
[46] See Susy Frankel 'Trade Offs and Transparency' (2013) 44 *IIC - International Review of Intellectual Property and Competition Law* 913.

closely associated with intellectual property.[47] These different circumstances influence the different stakeholders and interests that are relevant to domestic intellectual property policy and the weight that should be given to them, without necessarily improving the function of intellectual property to balance the relevant competing domestic interests.

C. How does TRIPS permit WTO members to calibrate domestic IP policy?

Despite the emphasis on protection and enforcement of the rights of intellectual property owners in TRIPS, an explicit objective of TRIPS is that the protection and enforcement of intellectual property should contribute to a balance of rights and obligations.[48] Gervais argues that intellectual property calibration is the process in which states assess 'how and to what extent they should 'customize' international rules using the various flexibilities contained in TRIPS'.[49] This part explores a range of mechanisms that can strengthen domestic flexibility in developing intellectual property policy.

Land usefully identifies five types of flexibility mechanisms: balancing provisions, explicit exemptions, standards provisions, textual silence and procedural flexibilities.[50] Article 7 and Article 8 of TRIPS provide balancing provisions '[identifying] general purposes that states may seek to achieve in implementing their obligations under the treaty'.[51] Explicit exemptions include the permission for countries to exclude inventions from patentability that 'protect *ordre public* or morality, including to protect human, animal or plant life or health or to avoid serious prejudice to the environment,'[52] and the authority for states to provide limited exceptions for trade mark rights for fair use of descriptive terms in Article 17.[53] Article 17 also exemplifies standards provisions that guide limited exceptions to rights for copyright, trade marks and patents. Standards norms are also evident in relation to enforcement.[54] For example, the provisions in Article 41 leave the terms 'effective' and 'expeditious' undefined and this can permit states to assess for themselves what is effective and what is expeditious in the context of enforcement.[55] Textual silence is also important to the extent that it leaves key terms such as 'inventive step' or 'industrial application' open to domestic interpretation.[56] The implementation timetable for developing and least developed countries has provided and continues to provide procedural flexibilities.[57]

Standards provisions and textual silence permit legislators flexibility in the way they interpret key TRIPS provisions. Standards local examiners use to assess inherent or acquired distinctiveness can address concerns that trade mark rights restrict the language commons by

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[47] Ibid, 913. *Australia-United States Free Trade Agreement*, signed 18 May 2004, [2005] ATS 1 (entered into force 1 January 2005) art (*'AUSFTA*').
[48] *TRIPS* art 7; Peter K Yu, 'The Objectives and Principles of the TRIPS Agreement', (n 20), 1000.
[49] Gervais (n 16) 87.
[50] Land (n 19) 438–442. Grosse Ruse-Khan notes that flexibility provisions are broader than exceptions and limitations: Henning Grosse Ruse-Khan, 'The International Law Relation between TRIPS and Subsequent TRIPS-Plus Free Trade Agreements: Towards Safeguarding TRIPS Flexibilities?' (2010) 18(2) *Journal of Intellectual Property Law* 325, 359.
[51] Land (n 19) 440.
[52] *TRIPS* art 27(2).
[53] Article 17 permits limited exceptions 'provided that such exceptions take account of rights of owners and third parties': ibid art 17.
[54] Land (n 19) 440–441.
[55] Ibid.
[56] Ibid 441–442.
[57] These were exploited by a number of countries such as India and Brazil: Sisule F Musungu, 'The TRIPS Agreement and Public Health' in Carlos María Correa and Abdulqawi Yusuf (eds), *Intellectual Property and International Trade: The TRIPS Agreement* (Kluwer Law International, 2nd ed, 2008) 421, 421–469.

limiting the scope of the monopoly granted to certain trade marks.[58] A mark may have a narrow monopoly or not be registered if it is not considered distinctive in some or all of the classes for which registration is sought. TRIPS Article 15 permits states to vary these standards to address local conditions. The use of 'may' in the text of Article 15.1 suggests that States are permitted, not required, to 'make registrability depend on distinctiveness acquired through use'. It is possible that the Article 15 standard of 'inherently capable of distinguishing the relevant goods or services' can be interpreted differently by local decision makers. In addition to distinctiveness thresholds, states can promote public access to signs by requiring use of the mark within certain timeframes to maintain registration.[59]

The scope of the monopoly for trade mark owners defined in TRIPS Article 16 has resulted in states implementing different infringement thresholds when interpreting the type of use 'in the course of trade' that owners of registered trade mark owners can restrict. In Australia, this monopoly is restricted by defining infringement as preventing uses by others of registered trade marks where that use is 'as a trade mark,' that is to distinguish the goods or services from other goods or services [in trade].[60] This was the infringement threshold used by the United Kingdom prior to the introduction of the 'use in the course of trade' threshold in the *Trade Marks Act 1994* (UK). In *Arsenal v Reed*, use of the Arsenal mark by a third party on souvenirs was still found to infringe this infringement threshold, although notices and disclaimers at the point of sale suggested that there was no confusion that the mark was being used as a badge of support for Arsenal Football Club, rather than as a badge of origin.[61] The removal of the requirement that use be a signalling use for it to be infringing suggests that the scope of protectable interests is broader for trade mark owners in the United Kingdom since 1994 and broader interests of this nature are also protectable throughout Europe.[62]

Increasingly, property interests of intellectual property owners are used to justify expansion of intellectual property rights but this is not necessarily consistent between jurisdictions. For example, protection of trade mark owners against dilution and tarnishment can vary substantially between states.[63] To some extent, TRIPS minimum standards permit these differences.[64] Although Australia expanded protection for well-known marks and expanded protection for trade mark owners to comply with TRIPS Article 16, it did not expand protection for well-known marks to include protection against dilution and tarnishment as this was not considered to be required by the agreement.[65]

Gervais argues that there are many dimensions to the process of calibration: '[P]olicies designed to optimize innovation while minimizing welfare costs should enhance economic growth, facilitate cultural prosperity, and foster human development'.[66] This discloses a number of competing interests that states should consider as they develop their intellectual property policy. These interests can be linked to the preamble and the object and purpose provisions found in TRIPS Articles 7 and 8. During the negotiation of TRIPS, developing

[58] IP Australia, *Trade Marks Office Manual of Practice and Procedure* (2018) <http://manuals.ipaustralia.gov.au/trademarks/trade_marks_examiners_manual.htm> pt 22.
[59] *TRIPS* art 15(3).
[60] *Trade Marks Act 1995* (Cth) s 120.
[61] *Arsenal v Reed* [2003] 3 WLR 450, paras 60-61.
[62] Steven Ang, *The Moral Dimensions of Intellectual Property Rights* (Edward Elgar, 2013) 171-174
[63] Wilkinson (n 42) 64-66.
[64] Michael Handler, 'Trade Mark Dilution in Australia?' (2007) 70 *Intellectual Property Forum* 36, 37-39.
[65] Ibid.
[66] Gervais (n 16) 88.

countries negotiated for the inclusion of clauses that explicitly recognised that owner interests were not the only interests relevant to intellectual property protection and enforcement.[67] The Preamble recognises 'underlying public policy objectives of national systems for the protection of intellectual property, including developmental and technological objectives'.[68] Article 7 and Article 8 of TRIPS provide balancing provisions '[identifying] general purposes that states may seek to achieve in implementing their obligations under the treaty'.[69] As balancing provisions, Articles 7 and 8 are important tools for interpretation of the TRIPS Agreement that can provide states with sufficient domestic regulatory autonomy to recognise local conditions. In 2001 the *Doha Declaration* recognised Articles 7 and 8 as expressions of the object and purpose of the TRIPS agreement.[70] In the Plain Packaging Decisions, Articles 7 and 8 influenced interpretation of claims that plain packaging measures constituted special requirements that unjustifiably encumbered trade mark owners' use of their trade marks and accordingly breached TRIPS Article 20.[71] The Panel determined that the restriction the measures posed on owner interest was sufficiently supported by domestic health interests.[72] The Appellate Body confirmed this interpretation.[73] The Plain Packaging Decisions should give guidance and support for states who seek calibration of competing intellectual property interests that can protect non-owner interests but are concerned about compliance with TRIPS. Part III of this article analyses the impact of this recognition on the Panel's interpretation of TRIPS Article 20.

III. USING AUSTRALIA - PLAIN PACKAGING MEASURES TO ADDRESS CALIBRATION AND FRAGMENTATION

TRIPS obliges Australia to protect and enforce intellectual property rights but TRIPS flexibilities permit these obligations to protect other interests.[74] The interpretation of whether Australian plain packaging measures were inconsistent with Article 20 in the Plain Packaging Decisions demonstrates that these flexibilities can permit a balancing of interests. Part of this interpretative process involves identification of the relevant interests of the intellectual property owner that can be protected against unjustifiable encumbrances by special requirements in the course of trade. For Article 20, the Panel found that the protected interests were 'the legitimate interests of trademark owners in using their trademarks in the marketplace'.[75] An important consideration in assessing an appropriate balance of interests is the extent to which protectable owner rights are encumbered by the contested policies.[76]

Australian plain packaging legislation limits the way that owners of tobacco-related trade marks can use their marks on packaging.[77] It permits only the use of word marks in a prescribed

[67] Peter K Yu, 'The Objectives and Principles of the TRIPS Agreement' (n 39) 1000-1008.
[68] *TRIPS* Preamble.
[69] Land (n 19) 440.
[70] See *Doha Declaration on the TRIPS Agreement and Public Health*, WTO Doc WT/MIN(01)/DEC/2 (20 November 2001, adopted 14 November 2001) (Ministerial Declaration) para 5.
[71] Panel Reports, *Australia – Tobacco Plain Packaging* (n 9) [4.2397]-[4.2430].
[72] Ibid [7.2590]-[7.2605].
[73] Appellate Body Reports, *Australia - AB Report*, (n 10) [6.697].
[74] See Gervais (n 16) 89.
[75] Panel Reports, *Australia – Tobacco Plain Packaging* (n 9) [7.2429].
[76] Ibid [7.2423], [7.2427]-[7.2429].
[77] *Tobacco Plain Packaging Act 2011* (Cth) s 20; Explanatory Memorandum, Tobacco Plain Packaging Bill 2011 (Cth) 9.

size, font and colour in a designated position on the packet.[78] Word marks can only be used if they denote the brand, business or company name or variant name.[79] Use of a trade mark on packaging must be in combination with health warnings, graphic photographs and a Quitline mark.[80] Graphics or device marks not required by the legislation cannot be used. The legislation permitted marks to continue to be used by trade mark owners in a restricted way to denote the source of the product.[81] It also permitted trade marks to stay on the register, even where they might be susceptible to non-use actions as a result of the legislation.[82] Consequently, word trade marks can still function as an indication of origin and quality for consumers but device marks are no longer able to do so.[83]

Indonesia, Cuba, Honduras and the Dominican Republic claimed that Australia's legislation was inconsistent with multiple provisions of the TBT and TRIPS.[84] The complainants disputed the consistency of the measures with Article 20, arguing that the way in which plain packaging legislation permits the use of a trade mark on packaging only in a prescribed form constitutes special requirements that unjustifiably encumber the use of tobacco-related trade marks in the course of trade.[85] The nature of use protected by Article 20 is important to understanding the breadth of rights that trade mark owners can expect states to protect from unjustifiable encumbrances as a result of their TRIPS obligations. Although Australia disputed whether Article 20 applied to the plain packaging measures at all,[86] the Panel determined that the reference to special requirements on the use of a trade mark included prohibitions on the use of the trade mark.[87] It also determined that the use of the mark was not restricted to use up until the point of sale but extended beyond that point.[88] The measures constituted special requirements that encumbered the use of tobacco trade marks.[89] However, these were not imposed unjustifiably because the measures were sufficiently supported by Australia's public health objectives.[90]

[78] *Tobacco Plain Packaging Act 2011* (Cth) s 21.
[79] Ibid s 20(3)(c).
[80] Panel Reports, *Australia – Tobacco Plain Packaging* (n 9) [2.2]-[2.5], [7.2131]-[7.2137].
[81] *Tobacco Plain Packaging Act 2011* (Cth) s 21.
[82] Ibid s 28. Similar provisions apply where the operation of the legislation results in failure to make a product that embodies a registered design: at s 29. Explanatory Memorandum, Tobacco Plain Packaging Bill 2011 (Cth) 15.
[83] Crennan J noted the importance of brand names to recognition in *JT International SA v Commonwealth of Australia; British American Tobacco Australasia Ltd v Commonwealth of Australia* (2012) 250 CLR 1, 103 [288] (Crennan J) ('*JT International*'). See Crawford Moodie et al, 'Young Women Smokers' Perceptions and Use of Counterfeit Cigarettes: Would Plain Packaging Make a Difference?' (2013) 22(3) *Addiction Research and Theory* 263.
[84] Panel Reports, *Australia – Tobacco Plain Packaging* (n 9) [1.1]-[1.8], [1.51]-[1.54]. The Ukraine initiated and then suspended a dispute that was part of the original proceedings and joined the other disputes as a third party.
[85] Ibid [2.2]-[2.5], [7.2131]-[7.2137]. See discussion of complaints prior to Plain Packaging Decisions in Andrew D Mitchell, 'Australia's Move to the Plain Packaging of Cigarettes and Its WTO Compatibility' (2010) 5 *Asian Journal of WTO and International Health Law and Policy* 405, 412; Daniel Gervais, 'Plain Packaging and the TRIPS Agreement: A Response to Professors Davison, Mitchell and Voon' (2013) 23 *Australian Intellectual Property Journal* 96, 103. Cf Mark Davison, 'The Legitimacy of Plain Packaging under International Intellectual Property Law' in Tania Voon, Andrew D Mitchell and Jonathan Liberman (eds), *Public Health and Plain Packaging of Cigarettes: Legal Issues* (Edward Elgar, 2012) 81, 94–96.
[86] Panel Reports, *Australia – Tobacco Plain Packaging* (n 9) [7.2173]-[7.2245].
[87] Ibid [7.2240]-[7.2245].
[88] Ibid [7.2260].
[89] Ibid [7.2569].
[90] Ibid [7.2592].

The Dominican Republic and Honduras appealed the decision.[91] Although the Appellate Body changed some of the Panel's findings, it did not disturb the Panel's overall determinations that Australia plain packaging measures were not inconsistent with the TBT and TRIPS. The Appellate Body confirmed both the Panel's approach to interpretation of the term 'unjustifiably' and the finding that the trade mark related requirements were not unjustifiable.[92] This part analyses the findings and identifies five important lessons for legislators from the Plain Packaging Decisions about what trade mark rights may be protected by TRIPS. It then recommends the approach that states need to adopt to justify a restriction on these rights when they attempt to calibrate competing interests.

A. Lesson One - Article 20 can protect broad trade mark owner interests

TRIPS Article 20 requires that '[t]he use of a trademark in the course of trade shall not be unjustifiably encumbered by special requirements'.[93] The Panel interpreted the provision to require consideration of the

a) nature and extent of the encumbrance imposed by special requirements;
b) the reasons for application of the special requirements applied, including societal interests; and
c) whether the reasons provide sufficient support for the resulting encumbrance.[94]

The weight given to these considerations will vary according to the different circumstances of particular cases.[95]

Australia argued that the 'use of a trade mark in the course of trade' protected by Article 20 should be limited to the distinguishing function of trade marks and this use was protected only until the point of sale.[96] This approach was rejected and Article 20 was interpreted to protect owners against unjustifiable encumbrances on a wide range of uses in the course of trade. The Panel interpreted the relevant use that could be protected from special requirements was broader than use by a trade mark owner to distinguish its goods or services from other undertakings. It interpreted use of a trademark in the course of trade to protect broader interests than the traditional signalling function of trade marks.[97] As part of its assessment of whether encumbrances on the use of the mark were unjustifiable, it was necessary to 'take due account

[91] See *Australia – Certain Measures Concerning Trademarks, Geographical Indications and Other Plain Packaging Requirements Applicable to Tobacco Products and Packaging – Notification of an Appeal by Honduras under Article 16.4 and Article 17 of the Understanding and Procedures Governing the Settlement of Disputes (DSU), and under Rule 23(1) of the Working Procedures for Appellate Review*, WTO Doc WT/DS435/23 (19 July 2018); *Australia – Certain Measures Concerning Trademarks, Geographical Indications and Other Plain Packaging Requirements Applicable to Tobacco Products and Packaging - Notification of an Appeal by the Dominican Republic under Article 16.4 and Article 17 of the Understanding on Rules and Procedures Governing the Settlement Of Disputes (DSU), and under Rule 20(1) of the Working Procedures for Appellate Review*, WTO Doc WT/DS441/23 (28 August 2018).

[92] Appellate Body Reports, *Australia - AB Report*, (n 10) [6.659], The Appellate Body noted that there were some errors in the analysis of alternative measures but these were not decisive: [6.697].

[93] *TRIPS* art 20.

[94] Ibid [7.2430].

[95] Ibid [7.2431].

[96] Panel Reports, *Australia – Tobacco Plain Packaging* (n 9) [7.2252].

[97] Ibid [7.2286].

of the legitimate interest of the trademark owner in using its trademark "in the course of trade" and how this is affected by the encumbrances to be justified'.[98]

In *EC – Geographical Indications*, the legitimate interests of trade mark owners protected in TRIPS Article 17 were distinguished from the formal rights that TRIPS obliges states to confer on a trade mark owner, consistent with the characterisation of legitimate interests in *Canada – Pharmaceutical Patents* as 'a normative claim calling for interest that are 'justifiable' in the sense that they are supported by relevant public policies or other social norms'.[99] The Panel used the interpretation of Article 17 in *EC – Geographical Indications* as relevant guidance for the owner interests that are balanced in an Article 20 assessment,[100] and characterised these as 'the legitimate interest of trademark owners in using their trademarks in the marketplace',[101] which includes interests in extracting economic value from trade marks.[102] The decision in *EC – Geographical Indications* did not specify how broad those rights could be and did not exclude economic interests in perception advertising from the scope of those rights.[103] Consequently, TRIPS can be used to support protection of the use of a trade mark in a 'wider range of commercial, advertising and promotional activities'.[104] The Panel's interpretation of Article 20 as requiring consideration of the legitimate interests of a trade mark owner rather than their formal rights meant that a broad range of interests of trade mark owners are potentially protected by Article 20.[105] The Panel analysed the operation of Australia's plain packaging measures and determined that the legislation constituted special requirements that encumbered the use of a trade mark in the course of trade.[106]

The interpretation of Article 20 in the Plain Packaging Decisions is significant for Australia because the scope of the trade mark monopoly available to owners in Australia contrasts to protection available in Europe and the United States for owners against non-confusing uses of a mark.[107] The infringement threshold for protection in Australia requires that the relevant use be use as a trade mark and this is interpreted to be use as a badge of origin to distinguish goods or services[108] as opposed to the broader protection found in European trade mark decisions including *Arsenal v Reed* and *L'Oréal v Bellure*.[109] These decisions highlighted that trade mark laws in European law can protect broader interests than those limited use as a trade mark to distinguish products from other undertakings.[110] The different scope of the monopoly is likely

[98] Ibid [7.2428].
[99] Ibid [7.2426] citing Panel Report, *Canada – Patent Protection of Pharmaceutical Products*, WTO Doc WT/DS114/R (17 March 2000) [7.69] ('*Canada — Pharmaceutical Patents*'); approved in Panel Report, *European Communities – Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs. Complaint by Australia*, WTO Doc WT/DS290/R (15 March 2005) [7.663] ('*EC – Geographical Indications Australia*').
[100] Panel Reports, *Australia – Tobacco Plain Packaging* (n 9) [7.2425]-[7.2429].
[101] Ibid [7.2429].
[102] Ibid [7.2604].
[103] Ibid [7.2279]-[7.2286].
[104] Ibid [7.2285].
[105] Ibid [7.2428]. The Appellate Body affirmed the Panel's approach to assessing the relevant legitimate interests: Appellate Body Reports, *Australia - AB Report*, (n 10) [6.675].
[106] Panel Reports, *Australia – Tobacco Plain Packaging* (n 9) [7.2245].
[107] McGrady argues that the Panel Reports may strengthen the scope of trade mark owner interests that can be protected in Europe: Benn McGrady, 'Tobacco Plain Packaging and the Expanding Role of the WTO in Regulatory Oversight' (2019) 37 *Australian Yearbook of International Law* 76, 86.
[108] *Shell Co of Australia Ltd v Esso Standard Oil (Australia) Ltd* (1963) 109 CLR 407, 422.
[109] *Trade Marks Act 1995* (Cth) s 120. Steven Ang, *The Moral Dimensions of Intellectual Property Rights* (Edward Elgar, 2013) 171-176.
[110] Steven Ang, *The moral dimensions of intellectual property rights*, (Edward Elgar, 2013) 175-176.

to influence interpretation of what interests of trade mark owners can be legitimately protected within a jurisdiction.[111]

B. Lesson Two - Societal interests can justify encumbrances on interests protected by Article 20

Given the potential for Article 20 to protect broad owner interests, limitations to protection are important mechanisms to permit states to use intellectual property laws to calibrate other domestic interests. The corollary of understanding the extent of the claimed encumbrance on the rights of the trade mark owner to use their marks is understanding the justification for any restrictions of those rights. Australia argued that the measures were justified, citing domestic public health objectives and compliance with the FCTC.[112]

The WTO found that protection for potentially broad owner interests in Article 20 is balanced against latitude for Member States to introduce measures to protect 'societal interests'.[113] The use of the term 'unjustifiably' in Article 20 without defining it permits some flexibility in the interpretation of the provision.[114] In interpretation of the term 'unjustifiably', the Panel found that the *Doha Declaration* had interpretative relevance as a subsequent agreement made between the parties and applied it to recognise that each TRIPS provision 'shall be read in the light of the object and purpose of the Agreement' and the object and purpose of TRIPS is expressed in Articles 7 and 8.[115] The panel determined that

> Articles 7 and 8, together with the preamble of the TRIPS Agreement, set out general goals and principles underlying the TRIPS Agreement, which are to be borne in mind when specific provisions of the TRIPS agreement are being interpreted in their context and in light of the object and purpose of the Agreement.[116]

This reliance on the Doha Declaration as a subsequent agreement was appealed by Honduras; the Appellate Body determined that this was 'not of decisive importance for the Panel's reasoning' as the Panel had correctly identified the contextual relevance of Articles 7 and 8 to the TRIPS agreement.[117] As there is limited prior consideration of the objectives and principles provisions, this recognition of the interpretative role of Articles 7 and 8 is important.[118] The

[111] See Panel Report, *Canada – Patent Protection of Pharmaceutical Products*, WTO Doc WT/DS114/R (17 March 2000) [7.69] ('*Canada — Pharmaceutical Patents*'); approved in Panel Report, *EC – Geographical Indications Australia*' [7.663].
[112] Panel Reports, *Australia – Tobacco Plain Packaging* (n 9) [7.2576]-[7.2581]. The Panel upheld this justification: at [7.2586]-[7.2606].
[113] Ibid [7.2598], [7.2604].
[114] Land (n 19) 441-442.
[115] Panel Reports, *Australia – Tobacco Plain Packaging* (n 9) [7.2402], [7.2410]-[7.2411].
[116] Ibid [7.2402].
[117] Appellate Body Reports, *Australia - AB Report,* (n 10) [6.656]-[6.658].
[118] Geiger and Desaunettes-Barbero argue that the Plain Packaging Decisions could support adaptability of TRIPS to contemporary issues that may create fragmentation between intellectual property rights and other laws: Christophe Geiger & Luc Desaunettes-Barbero, (2020). "The Revitalisation of the Object and Purpose of the TRIPS Agreement: The Plain Packaging Reports and the Awakening of the TRIPS Flexibility Clauses", Centre for International Intellectual Property Studies (CEIPI) Research Paper No. 2020-01, available at SSRN: https://ssrn.com/abstract=3556585.,34.

Plain Packaging Decision provides valuable guidance on how to interpret TRIPS using these balancing provisions.[119]

The Panel considered the ordinary meaning of unjustifiably.[120] It found this to refer to 'the ability to provide a "justification" or "good reason" for the relevant action or situation that is reasonable in the sense that it provides sufficient support for that action or situation'.[121] The Panel rejected the argument made by the claimants that the threshold of necessity applied in decisions interpreting other WTO agreements also applied to the assessment of justifiableness in its interpretation of Article 20.[122] Notably, TRIPS differs from other agreements because it does not contain a general exceptions provision such as the Article XX Chapeau in the General Agreement on Tariffs and Trades (GATT).[123] The Panel determined that it needed to 'discern the proper meaning of the term 'unjustifiably' as it is used in Article 20, rather than determine its meaning primarily in opposition to any other term'.[124] Interpretations of the identical or different term in other WTO agreements may provide interpretative context, yet the test for TRIPS Article 20 is specific to that agreement.[125] The use of necessary at several other points in the text of TRIPS suggests that unjustifiably should not be assumed to be synonymous with unnecessarily.[126] Nor should 'unjustifiably' necessarily have the same meaning as 'unjustifiable' in Article XX of the GATT 1994.[127]

The Panel noted that, as Article 20 doesn't expressly identify the types of reasons that may support the justifiability of impugned special requirements, it was appropriate to consider Articles 7 and 8 of TRIPS as they provided context for the interpretation of Article 20.[128] Using Articles 7 and 8 to interpret 'unjustifiably', the Panel recognised that states are able to balance the obligations to protect intellectual property found in the agreement against societal interests and Articles 7 and 8 guide interpretation of which societal interests are relevant.[129]

The Panel interpreted the object and purpose of the agreement to include an intention to establish and maintain a balance between societal objectives mentioned in Article 7.[130] These include objectives that 'protection and enforcement of intellectual property rights should contribute … in a manner conducive to social and economic welfare, and to a balance of rights and obligations'[131] Article 8 provides guidance on the nature of societal objectives that can be

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[119] See Taubman (n 22) 234. Prior to the decision, Mitchell noted unclear boundaries of public health flexibilities in the TRIPS agreement: Andrew D Mitchell, 'Australia's Move to the Plain Packaging of Cigarettes and Its WTO Compatibility' (2010) 5 *Asian Journal of WTO and International Health Law and Policy* 405, 421.
[120] Panel Reports, *Australia – Tobacco Plain Packaging* (n 9) [7.2393].
[121] Ibid [7.2395].
[122] For example, see *Australia – Certain Measures Concerning Trademarks, Geographical Indications and Other Plain Packaging Requirements Applicable to Tobacco Products and Packaging. Integrated Executive Summary of the arguments of Indonesia*, WTO Doc WT/DS435/441/458/467/Add. 1 (23 March 2016) B-85 [82].
[123] Marrakesh Agreement Establishing the World Trade Organization, opened for signature 15 April 1994, 1867 UNTS 3 (entered into force 1 January 1995) annex 1A (General Agreement on Tariffs and Trade) art XX ('*GATT*').
[124] Panel Reports, *Australia – Tobacco Plain Packaging* (n 9) [7.2418].
[125] Ibid [7.2415]-[7.2416].
[126] Ibid [7.2419].
[127] Ibid [7.2420].
[128] Ibid [7.2397]-[7.2411].
[129] Ibid [7.2406].
[130] Panel Reports, *Australia – Tobacco Plain Packaging* (n 9) [7.2403].
[131] *TRIPS* art 7. Peter Yu argues that each part of this clause can operate as a separate objective: Yu (n 39) 1000.

protected by Members.[132] Although the Panel recognised the clear relevance of public health to the balancing exercise engaged by interpretation of the Article 20 claim, it did not limit interests to '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' (the objectives specifically identified in Article 8.1).[133] Article 8.1 may guide the types of societal interests that are relevant to justification, but public interests relevant to justification can be broader than the objectives identified. The way that the Panel interpreted and applied Article 20 emphasises a balancing of interests that is relevant to intellectual property calibration of societal interests. The Panel found that societal interests are relevant to determining whether states impose a special requirement unjustifiably.[134]

Although Australia did not use Articles 7 or 8 to interpret Article 20 in the same way that the Panel did in its arguments,[135] the Panel's interpretation will be relevant to future policy development. The confirmation of the relevance of Articles 7 and 8 to interpretation by the Appellate Body indicates that the approach taken by the Panel to interpretation of Article 20 should influence future assessment of whether legislation that restricts intellectual property owner rights is justifiable.[136] Australia may have been hesitant to rely heavily on Article 8 in argument because it refers to 'necessary' public health measures.[137] The Panel found that the test used to assess necessity in other agreements did not apply directly to the interpretation of unjustifiably.[138] Rather than importing necessity tests, public health interests can justify restrictions on intellectual property if they constitute sufficiently supported societal interests.[139] As the examples in Article 8.1 are only a guide, other relevant societal interests could include human rights concerns and environmental concerns in the future.[140]

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[132] Panel Reports, *Australia – Tobacco Plain Packaging* (n 9) [7.2404].

[133] Ibid [7.2406]. See recognition by Davison and Emerton that the object of TRIPS to protect and enforce intellectual property rights in 'a manner conducive to social and economic welfare' was relevant to interpretation of Article 20: Mark Davison and Patrick Emerton, 'Rights, Privileges, Legitimate Interests and Justifiability: Article 20 of TRIPS and Plain Packaging of Tobacco', (2014) 29 *American University International Law Review* 505, 570-571.

[134] Ibid [7.2430].

[135] See *Australia – Certain Measures Concerning Trademarks, Geographical Indications and Other Plain Packaging Requirements Applicable to Tobacco Products and Packaging. Integrated Executive Summary of the arguments of Australia*, WTO Doc WT/DS435/441/458/467/Add. 1 (23 March 2016) B-108-B-117. The approach taken in the Plain Packaging Decisions also differs from other proposed approaches. See, for example, the focus of Frankel and Gervais on the public health relevance of article 8, rather than the broader concept of societal interests: Susy Frankel and Daniel Gervais, 'Plain Packaging and the Interpretation of the TRIPS Agreement' (2013) 46(5) *Vanderbilt Journal of Transnational Law* 1149, 206.

[136] Appellate Body Reports, *Australia - AB Report*, (n 10)[6.658].

[137] This could have placed emphasis on alternative measures. See Davison discussion that combined effect of Articles 8 and 20 could be interpreted to require comparison between measure taken and alternative measures: Mark Davison, 'The Legitimacy of Plain Packaging under International Intellectual Property Law' in Tania Voon, Andrew D Mitchell and Jonathan Liberman (eds), *Public Health and Plain Packaging of Cigarettes: Legal Issues* (Edward Elgar, 2012) 81, 106.

[138] Panel Reports, *Australia – Tobacco Plain Packaging* (n 9) [7.2598].

[139] Ibid [7.2601].

[140] See Genevieve Wilkinson 'Tobacco plain packaging, human rights and the object and purpose of international trade mark protection' in Susy Frankel (ed) *The Object and Purpose of Intellectual Property* (Edward Elgar, 2019). Brown argues that there are links to be drawn between the use of the FCTC in plain packaging disputes and the role of the Framework Convention on Climate Change: Abbe E L Brown *Intellectual Property, Climate Change and Technology* (Edward Elgar, 2019).

C. Lesson Three - States need to demonstrate sufficient support for societal interests

States need to provide sufficient support for the societal interests that can justify restrictions on owner rights protectable by Article 20 and Australia's justification for introducing the legislation was important to the Panel's finding that the encumbrance was not unjustifiable.[141] The Panel's interpretation of unjustifiableness in its Article 20 decision shows that it is not sufficient to merely identify a societal interest that constitutes a justification for restriction of intellectual property rights. Australia proposed that a policy that justified an encumbrance on the use of a trade mark should demonstrate a rational connection between the policy and the encumbrance. The Panel rejected this approach[142] and Australia did not appeal this point, or any other.[143] The Panel considered whether or not a justification provides sufficient support for the restriction imposed on the trade mark owners' right to use the mark.[144] Types of sufficient support that were relevant to plain packaging include protection of legitimate societal interests, including but not limited to those specific objectives found in Article 8.1.[145] These interests are then balanced against the legitimate interests of trade mark owners.[146] The Panel assessed the public health concerns underlying the legislation 'taking into account the nature and extent of the encumbrance'.[147] By reducing use of and exposure to tobacco products, the measures were capable of contributing to Australia's public health objectives, and did contribute to them.[148] Accordingly, there was sufficient support for Australia's objective.[149]

Australia's approach to justifying tobacco plain packaging provides useful insights into how encumbrances on trade mark owners can be supported. The justification evidence available in disputes about plain packaging will depend partly on the legislative development process. Australia spent many years developing this legislation and it is clear from the defensive design of some provisions of the *Tobacco Plain Packaging Act* that it recognised the introduction of the legislation was likely to generate disputes,[150] as tobacco trade mark owners were keen to preserve what was effectively the last vehicle for advertising tobacco products in Australia and avoid the legislation forming a damaging international precedent. [151]

Plain packaging measures form part of a comprehensive ban on tobacco promotion in Australia and the Panel determined that this was an important part of Australia's justification for the introduction of plain packaging measures.[152] Tobacco advertising has been historically subject to heavy regulation in Australia.[153] In Australia, the *Tobacco Advertising Prohibition Act 1992* (Cth) banned most forms of tobacco advertising with the objective of improving public

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[141] Panel Reports, *Australia – Tobacco Plain Packaging* (n 9) [7.2430], [7.2586]-[7.2589], [7.2604]. The Panel also referenced its earlier analysis of the legislation in relation to the TBT [7.213]-[7.232].
[142] Ibid [7.2422].
[143] Appellate Body Reports, *Australia - AB Report*, (n 10)[1.14]
[144] Panel Reports, *Australia – Tobacco Plain Packaging* (n 9) [7.2395].
[145] Ibid [7.2406].
[146] Ibid [7.2429].
[147] Ibid [7.2591].
[148] Ibid [7.2604].
[149] Ibid.
[150] See, for example, restriction on application of the act if it infringes any constitutional doctrine of implied freedom of political communication: *Tobacco Plain Packaging Act 2011* (Cth s 16).
[151] Thomas (n 24) 5.
[152] Panel Reports, *Australia – Tobacco Plain Packaging* (n 9) [7.2604]. Explanatory Memorandum, Tobacco Advertising Prohibition Amendment Bill 2010 (Cth). For the importance of a comprehensive approach to tobacco regulation see: Henry Saffer and Frank Chaloupka, 'The Effect of Tobacco Advertising Bans on Tobacco Consumption' (2000) 19(6) *Journal of Health Economics* 1117.
[153] Explanatory Memorandum, Tobacco Advertising Prohibition Amendment Bill 2010 (Cth

health.[154] This legislation was amended in 2010 to clarify that the relevant prohibitions extended to internet advertising.[155] These bans reflected a belief that '[m]essages and images promoting the use of tobacco products can "normalise" tobacco use, increase uptake of smoking by youth and act as disincentives to quit'.[156] Another important feature of tobacco regulation has been government excises charged on tobacco products.[157]

Australian policy makers consulted a range of stakeholders as part of research about tobacco control during the legislative development process that resulted in the introduction of plain packaging measures.[158] Plain packaging was identified as an important measure for reducing rates of tobacco consumption in a report of the Australian Government National Health Taskforce in 2009 (Taskforce Report).[159] Scientific evidence identifying the role of tobacco promotion in tobacco consumption was used to support a stated policy intention of eliminating all remaining forms of tobacco promotion in Australia.[160] Tobacco plain packaging was assessed in the context of Australia's obligations to implement Article 11 of the FCTC consistent with the guidelines for implementation of the article.[161]

The Taskforce Report proposed the adoption of plain packaging of tobacco as a component of comprehensive measures.[162] Related analysis identified that plain packaging measures could potentially impact on the rights of owners of tobacco-related trade marks but that was justifiable and proportionate. Trade mark rights do not provide absolute property rights: trade mark law protects broader public interests.[163] International trade agreements could support measures to protect public health.[164] Subsequently, the *Tobacco Plain Packaging Act 2011* (Cth), the *Trade Marks (Plain Packaging) Act 2011* (Cth) and supporting regulations (Plain Packaging Legislation) introduced strict requirements for the packaging of tobacco related products, emphasising the protection of public health and the implementation of the FCTC.[165]

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[154] Ibid 1.
[155] Ibid 1–2.
[156] Explanatory Memorandum, Tobacco Plain Packaging Bill 2011 (Cth) 1. See also Thomas (n 24) 26.
[157] For a recent example of excise legislation, see *Customs Tariff Amendment (Tobacco) Act 2014* (Cth).
[158] See, for example, National Preventative Health Taskforce, *Australia: the healthiest country by 2020. Discussion paper*. (Commonwealth of Australia, 2008) http://www.health.gov.au/internet/preventativehealth/publishing.nsf/Content/A06C2FCF439ECDA1CA2574DD0081E40C/$File/discussion-28oct.pdf .
[159] National Preventative Health Taskforce, *Australia: The Healthiest Country by 2020. National Preventative Health Strategy: The Roadmap for Action* (2009) 19–20, 181-182 ('Taskforce Report').
[160] National Preventative Health Taskforce, *Australia: Healthiest Country by 2020. Technical Report 2 - Tobacco Control in Australia: Making Smoking History, Including Addendum for October 2008 to June 2009* (2009) 20 ('Technical Report') 18, citing Ronald M Davis et al (eds), 'Part 5: Media, Tobacco Control Interventions, and Tobacco Industry Mitigation Efforts' in *The Role of the Media in Promoting and Reducing Tobacco Use* (National Cancer Institute Smoking and Tobacco Control Monograph No 19, US Department of Health and Human Services, National Institutes of Health, 2008).
[161] Technical Report (n 160) 100-101. WHO FCTC, Conference of the Parties, *Guidelines for Implementation of Article 11 of the WHO Framework Convention on Tobacco Control (Packaging and Labelling of Tobacco Products)*, Decision FCTC/COP3(10) (2 November 2008).
[162] Technical Report (n 160) 20-21.
[163] Taskforce Report, (n 159) 181–182. See discussion of instrumental nature of property rights: *JT International SA v Commonwealth of Australia; British American Tobacco Australasia Ltd v Commonwealth of Australia* (2012) 250 CLR 1, 27-28 (French CJ).
[164] Taskforce Report (n 159) 181–182.
[165] *FCTC* arts 11, 13. *Tobacco Plain Packaging Act 2011* (Cth) s 3. 'Clause 3 is not intended to be an exhaustive list of ways in which public health may be improved or Australia's obligations under the WHO FCTC may be met': Explanatory Memorandum, Tobacco Plain Packaging Bill 2011 (Cth) 7.

Parliamentary debate introducing the legislation recognised the public health importance of the measures, including special concerns regarding young smokers. [166]

The process of legislative development adopted by Australia was important for demonstrating that Australia's public health interests in introducing tobacco plain packaging measures was based on comprehensive evidence that supported its objective.

D. Lesson Four - Multilateral consensus found in international law is relevant to support societal interests

Plain packaging measures are designed to reduce tobacco consumption and its negative impacts on health, which have been recognised globally as epidemic.[167] This recognition has prompted multilateral agreement on the FCTC in 2003, negotiated through the World Health Organisation. In 2020, there were 181 parties to the agreement, which entered into force in 2004.[168] The World Health Assembly unanimously adopted the FCTC in May 2003. Australia signed the FCTC in 2003.[169] Treaty scrutiny noted Australia's prominent role in the negotiation of the agreement, consistent with its global leadership role in tobacco-related public health policies.[170] The FCTC was tabled in the Australian parliament on 30 March 2004 and entered into force on 27 February 2005.[171] The health impacts of tobacco consumption globally and Australia's interest in reducing global harm resulting from tobacco use have been consistently identified as an important motivation for implementing the FCTC in Australia.[172] When Australia ratified the agreement in 2004, the National Impact Analysis supporting ratification indicated that Australia would not be required to change its existing legislation and policies to be consistent with the obligations under the FCTC.[173] Nonetheless, it noted that the government was considering changes to packaging regulation that would be relevant to regulation of packaging pursuant to the FCTC.[174] The FCTC requires states to implement approaches to

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[166] Commonwealth, *Parliamentary Debates*, Senate, 13 June 2006, 250 (Santo Santoro). This is supported by literature: Pamela M Ling and Stanton A Glantz, 'Why and How the Tobacco Industry Sells Cigarettes to Young Adults: Evidence from Industry Documents' (2002) 92(6) *American Journal of Public Health* 908; Carolyn Dresler and Stephen P Marks, 'The Emerging Human Right to Tobacco Control' (2006) 28(3) *Human Rights Quarterly* 599, 618-625. Toebes et al identify packaging of cigarettes and misleading advertising on cigarettes as important issues for governments to address to protect children's rights: Brigit Toebes et al, 'A Missing Voice: The Human Rights of Children to a Tobacco-Free Environment' (2018) 27(1) *Tobacco Control* 3, 4, citing Sally Dunlop et al, 'Australia's Plain Tobacco Packs: Anticipated and Actual Responses among Adolescents and Young Adults 2010–2013' (2017) 26(6) *Tobacco Control* 617 and Richard Edwards et al, 'Impact of Removing Point-of-Sale Tobacco Displays: Data from a New Zealand Youth Survey' (2017) 26(4) *Tobacco Control* 392.

[167] Andrew D. Mitchell and Tania Voon 'Introduction,' in Andrew D. Mitchell and Tania Voon (eds) *The Global Tobacco Epidemic and the Law* (Edward Elgar, 2014), 1.

[168] WHO, *Parties to the WHO Framework Convention on Tobacco Control (Ratifications and Accessions)* (2020) https://www.fctc.org/parties-ratifications-and-accessions-latest/.

[169] United Nations, *WHO Framework Convention on Tobacco Control* (12 September 2018) United Nations Treaty Collection.
<https://treaties.un.org/pages/ViewDetails.aspx?src=IND&mtdsg_no=IX-4&chapter=9&clang=_en >.

[170] Commonwealth, *Parliamentary Debates*, Senate, 5 August 2004, 25783 (Linda Kirk); Joint Standing Committee on Treaties, Parliament of Australia, *Report 62: Treaties Tabled on 30 March 2004* (August 2004) 25.

[171] Commonwealth, *Parliamentary Debates*, Senate, 30 March 2004, 22373.

[172] For example: Commonwealth, *Parliamentary Debates*, House of Representatives, 9 September 2003, 14635 (Lyn Allison); Commonwealth, *Parliamentary Debates*, House of Representatives, 1 June 2010, 4804–4807 (Yvette D'Ath).

[173] Australian Government Department of Foreign Affairs and Trade, *National Interest Analysis [2004] ATNIA 7: World Health Organization Framework Convention on Tobacco Control, Done at Geneva on 21 May 2003* (2004) [8] ('*National Interest Analysis [2004] ATNIA 7*').

[174] Ibid [15].

reduce the demand for tobacco products and regulate supply of tobacco products. The packaging and advertising of tobacco products is regulated in demand reduction provisions.[175] Tobacco packaging is considered to be a vehicle for tobacco advertising.[176] Article 11 of the FCTC requires parties to the treaty to adopt and implement effective packaging and labelling measures within three years of becoming a party, including measures requiring minimum sizing of graphic warnings about the negative health impacts of tobacco on tobacco packaging.

As explained above, Australia's considered and consultative process in developing plain packaging legislation explicitly recognised its intention to give effect to FCTC obligations in relation to packaging of tobacco products.[177] Australia relied on the FCTC in justification arguments defending both the TBT claims and the Article 20 claims.[178] Future legislative development should also be guided by the Panel's finding that Australia's justification for plain packaging was further supported by its obligations pursuant to the FCTC.[179] Emerging multilateral approaches based on scientific evidence can be valuable where there is a lack of available qualitative evidence to assess the effectiveness of a specific long term measure.[180] The effectiveness of plain packaging was disputed in *Australia – Plain Packaging Measures* and remains disputed.[181] The Panel recognised that the FCTC is based on scientific evidence.[182] In considering justification for the legislation as special requirements on trade mark owner interests, the Panel recognised that the widely-ratified FCTC represents an emerging multilateral norm and Australia's ratification provides additional support for plain packaging measures.[183] These findings are important recognition that obligations pursuant to non-WTO agreements can be relevant to interpretation of terms in TRIPS such as 'unjustifiably'.[184] They suggest that when Australia seeks justification for balancing intellectual property owner interests against other interests, its obligations under other widely ratified agreements can be relevant to the balancing of rights and obligations contemplated by Article 7. This should not be restricted to societal interests set out in Article 8.[185] Arguably, the scope of sufficiently supportable socio-economic interests can be guided by Australia's obligations to protect the right to health pursuant to the ICESCR, as well as other relevant obligations like environmental protection.[186]

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[175] *FCTC* pt III.
[176] See Panel Reports, *Australia – Tobacco Plain Packaging* (n 9) [7.656]-[7.659].
[177] *Tobacco Plain Packaging Act 2011* (Cth) s 3; Explanatory Memorandum, Tobacco Plain Packaging Bill 2011 (Cth) 7.
[178] See *Australia – Certain Measures Concerning Trademarks, Geographical Indications and Other Plain Packaging Requirements Applicable to Tobacco Products and Packaging. Integrated Executive Summary of the arguments of Australia*, WTO Doc WT/DS435/441/458/467/Add. 1 (23 March 2016) B-97.
[179] The Appellate Body noted that by referring to the FCTC as additional factual support for its findings, the Panel did not afford undue legal weight to the FCTC: Appellate Body Reports, *Australia - AB Report*, (n 10)[6.707].
[180] See discussion of difficulty of measuring effectiveness in Cheryl Kirschner, 'Australia's Tobacco Plain Packaging Law: An Analysis of the TRIPS Article 20 Challenge at the WTO' (2019) 32 *Pace International Law Review* 247, 305-307.
[181] See continuing dispute in Sinclair Davidson and Ashton de Silva, 'Stubbing Out the Evidence of Tobacco Plain Packaging Efficacy: An Analysis of the Australian National Tobacco Plain Packaging Survey' (SSRN Scholarly Paper ID 2780938, Social Science Research Network, 17 May 2016) <https://papers.ssrn.com/abstract=2780938>.
[182] *FCTC* art 8(1).
[183] Panel Reports, *Australia – Tobacco Plain Packaging* (n 9) [7.2596].
[184] Interpretation of the term unjustifiably arguably involved three types of flexibilities described by Land (balancing provisions, textual silent and standards norms): Land (n 19).
[185] Panel Reports, *Australia – Tobacco Plain Packaging* (n 9) [7.2588].
[186] Wilkinson (n 140) 212-215; Brown (n 140). Mitchell and Roberts argue that although human rights have not been explicitly recognised in disputes about Australia's plain packaging measures, the resulting decisions

E. Lesson Five - Alternative less-restrictive measures are relevant but not determinative considerations

A key point of dispute surrounding the introduction of plain packaging measures focuses on whether chosen plain packaging measures are appropriate and effective. In considering justification in relation to the Article 20 claims, the Panel did not find that it was necessary for there to be concrete quantitative evidence about reductions in tobacco consumption in the short and medium term to provide sufficient support for plain packaging.[187] The Panel found that member states should be permitted latitude 'to choose an intervention to address a policy objective, which may have some impact on the use of trademarks in the course of trade, as long as the reason sufficiently supports any encumbrance'.[188] However, the Panel also recognised that in some circumstances the availability of an alternative measure that constituted a less severe encumbrance on use of the mark or no encumbrance could be a consideration when assessing whether the societal interest underlying the restriction was sufficiently supported.[189] The Appellate Body agreed that although alternative measures could be relevant to assessment of Article 20, this was not a necessary inquiry.[190] The circumstances in the Plain Packaging Dispute meant that the Panel addressed an argument that there should be individualised assessment of tobacco packaging as part of the analysis of whether there was sufficient support for the encumbrance posed by Australian plain packaging measures.[191] This assessment would permit tobacco packaging elements that were pre-vetted. The Panel had already considered this and other available alternatives as part of its analysis of the TBT claims and rejected the pre-vetting argument.[192]

There are sound policy reasons for a state to consider more effective available alternatives. TBT claims might be relevant to future disputes about intellectual property, requiring assessment of available alternatives. Consideration of a range of alternatives should permit states to identify and implement the most effective policy to calibrate their domestic interests and this should include protection of the intellectual property owner. This reinforces the weight that states should give to ensuring ongoing effectiveness of relevant measures. Further, these matters can be relevant to investor state disputes involving claimed breaches of fair and equitable treatment obligations, as was argued in the Philip Morris-Uruguay investor state dispute. Part IV will explore the emphasis that was given in the dissenting judgment to the fact that no other country had adopted a special presentation requirement and it was not part of the recommendations set out in the relevant FCTC guidelines.[193]

'cannot be divorced from the right to health': Andrew Mitchell and Marcus Roberts, 'Human rights and tobacco plain packaging in Australia' in M. E. Gispen & B. Toebes (Eds.), Human Rights and Tobacco Control (Edward Elgar, 2020) 252, 264.Voon and Mitchell identify very limited previous references to human rights in other WTO decisions: Tania Voon and Andrew Mitchell, 'Community Interests and the Right to Health in Trade and Investment Law' in Eyal Benvenisti and Georg Nolte (eds) Community Interests Across International Law (Oxford University Press, 2018) 258-261.

[187] The final assessment of article 20 emphasises the capability of the measures in realising their objective rather than concrete evidence that the objectives have been met: Panel Reports, *Australia – Tobacco Plain Packaging* (n 9) [7.2604].

[188] Ibid [7.2598].

[189] Ibid.

[190] Appellate Body Reports, *Australia - AB Report*, (n 10) [6.655] Some errors in the analysis of alternative measures were noted but these were not decisive [6.697]

[191] Ibid [7.2505]

[192] Ibid [7.2594].

[193] *Award Decision* [124] (Born).

From both an economic and public health perspective, effectiveness is an important consideration.[194] A human rights-based approach to health also supports the need for Australia to continue to monitor the effectiveness of plain packaging measures, even though they are long term measures. States are obliged to progressively realise economic, social and cultural rights and not retrogress from the standard that has already been achieved.[195] If tobacco consumption does not decrease consistent with expectations, plain packaging legislation should be scrutinised.[196] Australia has conducted a five year review of the effectiveness of the legislation that indicated some short term impact but, as Australia relies on the fact that these are long term measures, it should continue to assess its effectiveness.[197]

F. Future Legislative Approaches

The Plain Packaging Decision recognises the potentially broad scope of owner interests protected by Article 20. Consequently, tools like Articles 7 and 8 may be essential where WTO members seek to restrict the trade mark interests of owners to minimise negative social welfare impacts. The analysis and application of Article 20 in *Australia – Tobacco Plain Packaging* illustrates the way that TRIPS permits states to limit the interests of trade mark owners. It also confirms that relevant non-WTO agreements can support such limitations. The decision provides clearer guidance on how the flexibilities built into TRIPS should guide legislators to exercise regulatory autonomy. Relevant to the successful defence of the plain packaging measures is the process adopted by Australia in developing and justifying the legislation. Significant consultation and research supported the introduction of tobacco plain packaging in Australia. Future legislation that restricts owner rights would benefit from a similarly careful legislative development process. Adapting the analytical approach taken in *Australia – Tobacco Plain Packaging*, states should explicitly consider the following questions when they wish to recognise competing relevant interests and limit the rights of trade mark owners to benefit from the autonomy permitted by TRIPS to WTO members.

1. Does the legislation restrict the legitimate interests of the IP owner? If so, how?
2. Are the restrictions applied to protect societal interests?
3. Is there sufficient support for the application of those restrictions and are the restrictions supported by multilateral consensus found in other international agreements?
4. Is there a readily available alternative that would result in equivalent policy objective outcomes?

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[194] For a critical economic analysis see Sinclair Davidson and Ashton de Silva, 'The Plain Truth about Plain Packaging: An Econometric Analysis of the Australian 2011 Tobacco Plain Packaging Act' (2014) 21(1) *Agenda: A Journal of Policy Analysis and Reform* 27, 31. An earlier, related paper by Davidson and de Silva was stringently criticised: Cancer Council Victoria, 'Comments on Davidson S, and de Silva A. *Stubbing out the evidence of tobacco plain packaging efficacy: an analysis of the Australian National Tobacco Plain Packaging Survey*, Social Science Research Network' (Working Paper, Cancer Council Victoria, 3 June 2016) <www.cancervic.org.au/downloads/plainfacts/Davidson_working_paper_comments_3_June_2016.pdf>.

[195] See discussion of obligation to avoid retrogression in realisation of human right to health: Committee on Economic, Social and Cultural Rights, *General Comment No 14: The Right to the Highest Attainable Standard of Health (Article 12 of the Covenant)*, UN ESCOR, 22nd sess, UN Doc E/C.12/2000/4 (11 August 2000) paras 53-56.

[196] See discussion of importance of effectiveness in realisation of human right to health: Ibid, paras 31, 54, 55.

[197] Tasneem Chipty, *Study of the Impact of the Tobacco Plain Packaging Measure on Smoking Prevalence in Australia* (Australian Government Department of Health, 24 January 2016) 2 ('*Post-Implementation Review*') <http://www.health.gov.au/internet/main/publishing.nsf/content/491CE0444F7B0A76CA257FBE00195BF3/$File/PIR%20of%20Tobacco%20Plain%20Packaging%20-%20with%20Addendum.pdf>.

This approach should guide legislators to effective calibration of domestic interests consistent with TRIPS. However, a number of findings and outcomes from the decision highlight some of the tensions for Australia regarding compliance. Part IV considers further implications of the WTO decision.

IV. IMPLICATIONS

The Plain Packaging Decision provides guidance for future legislation that seeks to balance broad owner interests against the interest of other stakeholders and recognise intersecting international obligations that protect a range of competing concerns. Adapting the approach taken by the Panel, this article has proposed a series of questions that should be considered by countries that wish to calibrate intellectual property policy. This part argues that the questions are relevant not only to concerns raised by Article 20 but should be considered in interpretation of the exceptions to TRIPS when Articles 7 and 8 are considered relevant. The use of articles 7 and 8 can also support systemic integration between WTO agreements and non-WTO agreements. Although the interests identified in Articles 7 and 8 may not be recognised in investor state dispute mechanisms (ISDMs), the decision in Philip Morris-Uruguay also suggests that following the approach proposed in Part III should also strengthen justification for disputed intellectual property legislation in investor state disputes.

A. The broader relevance of Articles 7 and 8 and opportunities for systemic integration

The Plain Packaging Decisions recognise that Articles 7 and 8 provide important context for treaty interpretation of TRIPS.[198] The approach taken by the Panel in interpreting 'unjustifiably' can also support greater recognition that exceptions provisions can permit states to recognise the range of interests that are relevant to intellectual property. Exceptions to protection for copyright, patent and trade marks have previously been interpreted restrictively.[199] Interpreting exceptions permitted for patent exceptions, the Appellate Body recognised that Articles 7 and 8 might apply differently in future cases involving measures to promote policy objectives and the provisions awaited further interpretation.[200] The Plain Packaging Decisions considered such measures and used Articles 7 and 8 to interpret Article 20 so that a balance between owner interests and public policy objectives was permitted. Although Article 20 is not an exceptions clause, Geiger and Desaunettes-Barbero argue that the guidance provided in the Plain Packaging Decisions supports a broader approach to interpreting permissible exceptions that focuses on the proportionality of exceptions.[201] Where exceptions are relevant to intellectual property, the questions proposed in Part III should also guide WTO members to explicitly identify relevant societal interests and consider whether they are consistent with the normative role of Articles 7 and 8 in interpretation of TRIPS that has been recognised by the Panel and affirmed by the Appellate Body.

Considering whether societal interests are supported by other multilateral norms such as the FCTC can also contribute to systemic integration when it encourages decision makers to address potential inconsistencies between different fields of law. Many commentators, including the International Law Commission, have recognised a type of fragmentation resulting from the separate development of different fields of international law.[202] This can impact on

[198] Panel Reports, *Australia – Tobacco Plain Packaging* (n 9) [7.2402] – [7.2405]. Appellate Body Reports, *Australia - AB Report*, (n 10) [6.658]-[6.659].
[199] Geiger and Desaunettes-Barbero (n 118) 38-40
[200] Appellate Body Report, *Canada — Pharmaceutical Patents*, WT/DS170/AB/R, [101].
[201] Geiger and Desaunettes-Barbero, (n 118) 36-40
[202] International Law Commission, *Fragmentation of International Law: Difficulties Arising from the Diversification and Expansion of International Law*. *Report of the Study Group of the International Law*

systemic coherency and make it difficult for states to meet competing obligations that appear to conflict when the different fields of international law intersect on specific issues.[203] States may agree to obligations in different international agreements that can be inconsistent with trade obligations, reflecting fragmentation between trade law and other fields of international law. This can be exacerbated by the separation of the WTO from United Nations institutions. Recognising non-WTO multilateral norms explicitly in both legislative development and subsequent defence of that legislation builds a strong platform to argue that the WTO should consider them as support for relevant societal interests. This can reduce fragmentation between state obligations in international law and strengthen domestic calibration of intellectual property policy.[204]

The approach taken in the Plain Packaging Decisions is positive for systemic integration between WTO agreements and non-WTO agreements. The recognition that the FCTC provides further support for Australia's plain packaging legislation suggests that states' obligations pursuant to non-WTO agreements can provide relevant support for societal interests that may be balanced against owner rights protected by TRIPS. Articles 7 and 8 guide the type of non-WTO agreements that can be relevant in this respect. The emphasis on protection of public health in the FCTC is consistent with the support in Article 8.1 for WTO Members to 'adopt measures necessary to protect public health' in intellectual property law-making. It is also consistent with the objective found in Article 7 that protection and enforcement of intellectual property operate 'in a manner conducive to social and economic welfare, and to a balance of rights and obligations'. These objectives and the principle that intellectual property legislation may 'promote the public interest in sectors of vital importance to their socio-economic .. development' are also consistent with the protection of human rights.[205]

Using Articles 7 and 8 as normative guidance may also be important for domestic compliance with a range of international laws. Importantly, the Plain Packaging Decisions confirm that the scope of relevant societal interests states may seek to protect is broader than the objectives explicitly identified in Article 8.[206] This expands the field of non-WTO agreements that may be considered relevant. Beyond the FCTC, public health concerns regarding tobacco consumption have important human rights dimensions and engage additional considerations found in ICESCR and the CRC. The rights of children are particularly relevant to plain packaging measures that recognise the vulnerability of children to advertising on packaging.[207] The CRC has unique provisions to protect children from harmful information regarding health

Commission, Finalized by the Chairman, Martti Koskenniemi, UN GAOR, 58th sess, UN Doc A/CN.4/L.682, A/CN.4/L.682/Add.1, A/CN.4/L.682/Corr.1 (13 April 2006). Grosse Ruse-Khan provides an overview of different approaches to the systemic character of international law, including the report of the International Law Commission, and reaches a different understanding: Henning Grosse Ruse-Khan, *Protection of Intellectual Property in International Law* (Oxford University Press, 2016) 15-30.

[203] Helfer identified narratives of both conflict and coexistence between human rights and IP in 2003: Laurence R Helfer, 'Human Rights and Intellectual Property: Conflict or Coexistence' (2003) 5(1) *Minnesota Intellectual Property Review* 47. In 2016, Yu recognised that the relationship between the fields and descriptions of it are increasingly nuanced: Peter K Yu, 'The Anatomy of the Human Rights Framework for Intellectual Property' (2016) 69(1) *SMU Law Review* 37, 68.

[204] Gervais argues that successful domestic calibration can influence meaningful multilateral reform: Gervais (n 16) 96.

[205] Geiger and Desaunettes-Barbero (n 118) 45. See also Johan Rochel, 'Intellectual property and its foundations: Using Art. 7 and 8 to address the legitimacy of the TRIPS,' (2020) 23 *The Journal of World Intellectual Property* 21, 35.

[206] Panel Reports, *Australia – Tobacco Plain Packaging* (n 9) [7.2406]; Appellate Body Reports, *Australia - AB Report*, (n 10) [6.658].

[207] See Brigit Toebes et al (n 166).

issues.[208] However, for these rights to be clearly relevant, they should be identified in the development of intellectual property policy. Although Australia first explicitly incorporated the FCTC into its legislative development and then relied on it to support its arguments in the WTO, other relevant international obligations such as the human right to health have not been explicitly recognised in legislative development or Australia's defence of its plain packaging measures.[209] Recognising other obligations can contribute to greater systemic integration and better protect those obligations. Societal interests will vary according to local conditions and Australia should not only consider public health but other public interests in sectors of vital importance to socio-economic development.

Although the decision supports the use of TRIPS flexibilities to calibrate local interests, it is important to recognise that states 'may' use these flexibilities to protect local interests.[210] For example, although states 'may provide limited exceptions to the rights conferred by a trademark' pursuant to Article 17, they are not required to provide them. In contrast, the protection for trade marks in Article 20 provides that states 'shall not' unjustifiably encumber the use of a trademark in the course of trade. This distinction has prompted concerns that embedding additional intellectual property obligations into bilateral and plurilateral agreements may permit states to use trade incentives that are not necessarily relevant to effective intellectual property policy to require states to agree to TRIPS-plus provisions that undermine the flexibilities built into TRIPS.[211]

Bilateral and plurilateral agreements can contain additional intellectual property provisions that generate further international compliance restrictions for states developing domestic intellectual property legislation.[212] These types of 'TRIPS-plus' provisions have been used by developed countries with strong intellectual property-based industries to introduce provisions additional to the binding minimum obligations included in TRIPS. Once states are required to accord these protections to countries with strong intellectual property industries, most favoured nation provisions in TRIPS require them to afford the same protection to all WTO members, so they are more likely to include them in subsequent agreements.[213] This can mean that TRIPS-plus provisions become widespread but TRIPS balancing mechanisms may not

[208] John Tobin and Elizabeth Handsley, 'Article 17. The Mass Media and Children: Diversity of Sources, Quality of Content and Protection against Harm' in John Tobin (ed) *The UN Convention on the Rights of the Child: A Commentary* (Oxford University Press, 2019) 604, 602.
[209] See *Australia – Certain Measures Concerning Trademarks, Geographical Indications and Other Plain Packaging Requirements Applicable to Tobacco Products and Packaging. Integrated Executive Summary of the arguments of Australia*, WTO Doc WT/DS435/441/458/467/Add. 1 (23 March 2016) B-96.
[210] See broader discussion about the impact of minimum standards in Annette Kur and Henning Grosse Ruse-Khan, 'Enough Is Enough: The Notion of Binding Ceilings in International Intellectual Property Protection' in Annette Kur and Marianne Levin (eds), *Intellectual Property Rights in a Fair World Trade System: Proposals for Reform of TRIPS* (Edward Elgar, 2011) 359.
[211] Susan K Sell, 'TRIPS Was Never Enough: Vertical Forum Shifting, FTAs, ACTA and TPP' (2011) 18(2) *Journal of Intellectual Property Law* 447, 452–455; Dreyfuss and Frankel (n 7) 586.
[212] See Susan K. Sell, *Private Power, Public Law* (Cambridge University Press, 2003). Handler and Mercurio identify TRIPS-plus provisions requiring 'a weakening of 'flexibilities' and 'special and differential treatment' granted to developing and least developed countries in the TRIPS agreement: Handler and Mercurio 'Intellectual Property' in Simon Lester, Bryan Mercurio and Lorand Bartels (eds) *Bilateral and Regional Trade Agreements: Analysis and Commentary* (2nd ed, Cambridge University Press, 2016) 324, 325.
Taubman argues that instead of dispute settlement mechanisms supplanting negotiation of policy choices 'the greater risk to good public policy is that ad hoc, pragmatic bilateral renegotiation of the terms of trade in knowledge resources may supplant orderly and objective dispute settlement (and the role the dispute settlement system in defending legitimate policy choices)': Taubman (n 22) 234.
[213] This creates a complex web or 'noodle bowl' of agreements: Deborah Elms, 'The Trans-Pacific Partnership: The Challenges of Unraveling the Noodle Bowl' (2013) 18(1) *International Negotiation* 25.

influence their interpretation or implementation as they are not always also included in these agreements. Usually concerns regarding TRIPS-plus obligations highlight their negative impact on developing and least developed countries.[214] Yet certain TRIPS-plus obligations, such as restrictions on test data, may negatively impact on the ability of all states to effectively balance rights and obligations and protect public health, regardless of standards of economic development.[215]

Higher intellectual property protection standards can also impact developed countries that are net importers of intellectual property like Australia. Subsequent to the TRIPS Agreement, Australia has become party to other bilateral and regional agreements that incorporate intellectual property standards, such as the *Australia-United States Free Trade Agreement* (AUSFTA) that entered into force in 2005. This resulted in an extension to the term of copyright protection in Australia that has been criticised by the Productivity Commission as detrimental to Australian economic interests.[216] As a result of AUSFTA, Australia also agreed that it would not require that a mark be visually perceptible.[217] This provision can be used to protect non-traditional marks like sound marks. It is an area of flexibility in TRIPS and may not have a negative impact on trade mark protection in Australia. However, including TRIPS-plus provisions into bilateral and regional agreements that limit Australia's ability to rely on TRIPS flexibilities can reduce opportunities to benefit from the exercise of those flexibilities at a time when they are being interpreted increasingly by the Dispute Settlement Bodies to permit regulatory autonomy to WTO Members.[218] Australia benefited from the way that the Dispute Settlement Bodies used Articles 7 and 8 in its interpretation of TRIPS Article 20 in *Australia – Plain Packaging.*[219] Ruse-Khan characterises this interpretative trend as normatively positive, contrasting this to recent investor state disputes concerning intellectual property that attack domestic intellectual property policy.[220]

ISDMs found in trade or investment agreements permit foreign investors to enforce obligations that require parties to protect foreign investors against certain actions, such as unlawful expropriation of their assets or treatment that is not fair and equitable.[221] Concerns have been expressed about the consequences of permitting protection of foreign investment in intellectual

[214] Susan K Sell (n 212), 452–455.
[215] Weatherall discusses the controversial nature of biologic data protection: Kimberlee Weatherall 'Intellectual Property in the TPP: Not "The New TRIPS"' (2016) 16 *Melbourne Journal of International Law* 257, 258. For other WTO agreements, this could be addressed by non-violation complaints even though the agreement has not been breached. A WTO member can complain 'if one government can show that it has been deprived of an expected benefit because of another government's action, or because of any other situation that exists.' Since *TRIPS* was agreed, a rolling moratorium has prevented the use of non-violation complaints as states have not agreed what type of disputes non-violation complaints for *TRIPS* can cover. Frankel proposes that these type of complaints should be used to address the impact of bilateral and plurilateral agreements on *TRIPS* flexibilities.
[216] Productivity Commission Report (n 37) 131. Criticisms of the Australian increase in copyright term suggests that while embedding intellectual property agreements within trade may have beneficial outcomes, such as the removal of trade barriers, these linkages can also result in the adoption of intellectual property standards that do not permit states to mediate between stakeholder interests to achieve a nationally appropriate outcome: Kimberlee Weatherall, Isabella Alexander and Michael Handler, Submission No. 99 to Productivity Commission, *Intellectual Property Arrangements: Issues Paper*, 14 December 2015, 14.
[217] *AUSFTA* art 17.2.2.
[218] Henning Grosse Ruse-Khan, 'Protecting intellectual property through trade and investment agreements: concepts, norm-setting and dispute settlement' in Christophe Geiger (ed) *Research Handbook on Intellectual Property and Investment Law* (Edward Elgar, 2018) 11, 34-35; Dreyfuss and Frankel (n 7) 565-566.
[219] See Geiger and Desaunettes-Barbero (n 118) 30-34.
[220] See criticisms by Ruse-Khan of the strategies adopted by investors in the Eli Lilly and Bridgestone investor state disputes about intellectual property rights: Henning Grosse Ruse-Khan (n 218) 36, 39-45.
[221] Ibid 15.

property through ISDMs. Frankel argues that where intellectual property is protected in bilateral and plurilateral agreements the function of intellectual property to confer property rights on owners can become the focus and this focus can limit consideration of other important functions of intellectual property such as providing access for users and incentives for creators to innovate.[222] In cases where there are important public interests supporting challenged domestic policies, state to state relations often cannot stop the dispute once it has commenced as it becomes a legal dispute between the investor and the state.[223] There was no mechanism in Australia's bilateral investment agreement with Hong Kong for Australia to negotiate with Hong Kong to prevent Philip Morris from commencing its investor-state dispute against Australia's plain packaging measures in 2012. As discussed above, a finding that the claim was not admissible because it constituted an abuse of right did not occur until 2015. Before the inadmissibility determination, the proceedings provided support for threats by tobacco companies that the introduction of plain packaging legislation in other jurisdictions could be subject to similar claims.[224] Considering the human rights implications of investor state disputes, Mylly argues that threats to initiate investor state disputes 'have a chilling effect on government action and willingness to regulate in the public interest', citing examples of weakened tobacco control policies in Uzbekistan and Canada in response to threats by investors to commence actions using ISDMs.[225] Investor state disputes can also be influenced by the way that TRIPS flexibilities that can be used to protect public interests, such as Articles 7 and 8, may not be recognised in the same way in trade or investment agreements that protect intellectual property rights.[226]

States may be deterred from defending legitimate and non-discriminatory public welfare claims by the high cost of arbitration in ISDMs.[227] For plain packaging measures there is evidence that tobacco companies have used ISDMs as part of a systematic attack on plain packaging measures to deter others from implementing them.[228] The cost of proceedings was an important concern in the six year-long investor-state arbitration between Philip Morris and Uruguay involving tobacco packaging measures. Although successful, the Uruguayan defence relied on

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[222] Susy Frankel, 'The object and purpose of mingling intellectual property, trade and investment' in Christophe Geiger (ed) *Research Handbook on Intellectual Property and Investment Law* (Edward Elgar, 2018) 48, 54, 57, 58. See also concerns about the 'assetization' of intellectual property as a result of its inclusion in trade and investment agreements in Dreyfuss and Frankel (n 7) 559-560 The Australian Productivity Commission also criticised the inclusion of ISDMs in Australian trade and investment agreements. It found that protecting intellectual property rights as assets through ISDMs restricts States' abilities to balance owner rights against other public and national interests: Productivity Commission Report (n 37) 200.

[223] The state-state pre-arbitration negotiation clause in *CHAFTA* potentially provides an alternative approach: Anthea Roberts and Richard Braddock, *Protecting Public Welfare Regulation through Joint Treaty Party Control: A ChAFTA Innovation* (Columbia FDI Perspectives: Perspectives on Topical Foreign Direct Investment Issues, No 176, 20 June 2016) <https://academiccommons.columbia.edu/catalog/ac:201614>. Voon favours this approach: Tania Voon 'Tobacco, Health and Investor-State Dispute Settlement: Australia's Recent Treaty Practice' (2019) 37 *Australian Yearbook of International Law* 89, 98.

[224] Gruszczynski (n 8) 244.

[225] Tuomas Mylly, 'Human rights and intellectual property in investor to state dispute settlement' in Christophe Geiger (ed) *Research Handbook on Intellectual Property and Investment Law* (Edward Elgar, 2018) 406, 410-411.

[226] See Cynthia Ho (n 6) 402–403. Dreyfuss and Frankel (n 7) 588. Gervais notes the absence of such provisions from many international investment agreements: Daniel Gervais, 'Investor-State Dispute Settlement and intellectual property: lessons from Eli Lilly' in Christophe Geiger (ed) *Research Handbook on Intellectual Property and Investment Law* (Edward Elgar, 2018) 250, 262.

[227] See examples in Tobin (n 2).

[228] Benjamin Hawkins, Chris Holden and Sophie Mackinder, 'A multi-level, multi-jurisdictional strategy: Transnational tobacco companies attempts to obstruct tobacco packaging restrictions,' (2019) 14(4) *Global Public Health* 570.

philanthropic funding.[229] Australia's defence of its legislation in the Philip-Morris Australia arbitration was also very expensive even though it resolved at an interlocutory stage.[230] However, Dickson-Smith and Mercurio question the basis on which ISDMs have been criticised in Australia and argue that such criticisms are based on insufficient evidence of such negative impacts as regulatory chill.[231] The following section will examine the way that linking justification to international obligations can also strengthen the defensibility of restrictions on intellectual property where trade and investment agreements permit investors to contest public interest-based restrictions on owner rights.

B. Using international obligations in investor state disputes

ISDMs are designed to encourage foreign investment by giving qualifying foreign investors the advantages of domestic investors yet this protection can limit domestic autonomy to use TRIPS flexibilities to adapt domestic protection of intellectual property to local conditions.[232] Uruguay's FCTC obligations were relevant to their defence of tobacco packaging measures against Philip Morris's claims in arbitration that those measures constituted breaches of protection for fair and equitable treatment and against expropriation in the Uruguay-Switzerland bilateral investment treaty.[233] Measures required graphic health warnings over 80% of cigarette packets and required tobacco companies to use only one brand on packaging as part of a single presentation requirement.[234] This single presentation requirement for brand families meant that Philip Morris couldn't use brands like Marlboro Gold or Marlboro Fresh Mint in addition to Marlboro Red.[235] Although different tests applied in the Phillip Morris-Uruguay dispute, the Uruguayan Government's justification for its packaging measures was also an important part of the dispute. It argued that this type of marketing can be used to mislead consumers that different brands are healthier than others and encourage or increase their consumption.[236]

The majority found that value remained in the assets so the expropriation claim failed. It determined further that Uruguay's action could constitute a valid exercise of its police powers to protect public health.[237] Separate allegations that Uruguay breached standards of fair and equitable treatment protected in the bilateral investment treaty were unsuccessful although there was dissent on this point. Fair and equitable treatment obligations protect the legitimate expectations of investors based on government representations, balanced against host State rights to regulate in the public interest. As a minimum treatment standard, it also prohibits denial of justice and disregard for due process, manifest arbitrariness in decision-making,

[229] Matthew Rimmer, (n 30) 'The Chilling Effect: Investor-State Dispute Settlement, Graphic Health Warnings, The Plain Packaging of Tobacco Products, and the Trans-Pacific Partnership' (2017) 7(1) *Victoria University Law and Justice Journal* 76, 79.
[230] *Philip Morris Asia Ltd v Australia (Final Award regarding Costs)* (Permanent Court of Arbitration, Case No 2012-12, 8 March 2017).
[231] Kyle Dylan Dickson-Smith and Bryan Mercurio, 'Australia's Position on Investor-State Dispute Settlement: Fruit of a Poisonous Tree or A Few Rotten Apples,' (2018) 40 (2) *Sydney Law Review* 213. This analysis does not focus specifically on intellectual property and argues that the merits of ISDS have not been adequately assessed by the Australian Government: 240.
[232] See Cynthia Ho (n 6) 402–403.
[233] *Philip Morris Brands Sàrl v Uruguay (Award)* (ICSID Arbitral Tribunal, Case No ARB/10/7, 8 July 2016) ('*Award Decision')* [404], [420].
[234] Ibid [9].
[235] Ibid [10]
[236] Ibid [357]-[367]; FN 482.
[237] Ibid [287]-[387]

targeted discrimination and abusive treatment of investors.[238] A key focus in the arbitral panel's decision on whether the single presentation requirement breached fair and equitable treatment obligations was whether or not the decision to introduce it was arbitrary. Philip Morris argued that Uruguay's legislative development process was impermissibly arbitrary as it did not result from meaningful government deliberations.[239] Philip Morris further argued there was no connection between the rationale of avoiding misleading consumers and the policy, emphasising that there was no evidence that the Uruguay government engaged in meaningful deliberations before adopting the single presentation requirement.[240] Uruguay stressed the reasonableness of the targeted measure, noting the historical context of tobacco companies attempting to circumvent prohibitions on using words like light and mild in advertising.[241] In the dispute, the parties agreed that when Marlboro Light could no longer be used, similar get up and branding was used on Marlboro Gold.[242] Uruguay argued that the single presentation requirement resulted from a deliberative policy process and was part of a comprehensive approach to tobacco control policies in Uruguay in line with WHO recommendations and Uruguay's express obligations under the *FCTC*, drawing on the scientific evidence underlying that agreement.[243] Their reliance was supported by an amicus curiae brief by the WHO and the *FCTC* secretariat in support of the packaging measures taken by Uruguay.[244]

In finding that the measure did not breach standards of fair and equitable treatment, the majority afforded Uruguay significant regulatory autonomy. The majority noted that Uruguay was an active participant in *FCTC* negotiations and the development of guidelines that support plain packaging.[245] Consequently, although Uruguay did not undertake comprehensive, evidence-based research in the development of its plain packaging legislation, it was able to rely on evidence underlying the *FCTC* and supporting its legislation.[246] Usefully for future claims based on health, the majority held that

> For a country with limited technical and economic resources, such as Uruguay, adhesion to the *FCTC* and involvement in the process of scientific and technical cooperation and reporting and of exchange of information represented an important if not indispensable means for acquiring the scientific knowledge and market experience needed for the proper implementation of its obligations under the *FCTC* and for ensuring the fulfilment of its tobacco control policy.[247]

Accordingly, there was no requirement for Uruguay to perform additional studies or gather further evidence in support of the challenged measure. In relation to the arguments that there was no evidence of meaningful deliberation, the majority permitted States a significant margin of appreciation when making public policy decisions on important matters such as public health.[248] Although a single presentation requirement is not specifically mentioned in the *FCTC*, Article 11(1)(a) of that Convention did require each State Party to take measures 'in accordance with its national law' to prevent 'the false impression that a particular tobacco product is less harmful than other tobacco products'.[249]

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[238] United Nations Conference on Trade and Development, *Fair and Equitable Treatment: A Sequel* (United Nations, 2012) xvi.
[239] *Award Decision* (n 233) [13]-[20], [330], [335]-[345].
[240] Ibid [335]-[336].
[241] Ibid [358].
[242] Ibid [241].
[243] Ibid [371] recognises underlying evidence.
[244] Ibid [306].
[245] Ibid [393]-[394].
[246] Ibid [393]-[396].
[247] Ibid [393].
[248] Ibid [399], [409].
[249] Ibid [404].

A key concern in the dissenting decision in Philip Morris-Uruguay was the absence of evidence of government consideration of the packaging measures prior to their introduction.[250] Although the majority did not require explicit evidence of meaningful deliberation, the dissenting opinion of Arbitrator Born disputed the majority's findings in relation to the single presentation requirement. Arbitrator Born did not support use of a margin of appreciation test and argued that this was inappropriately imported from decisions of the European Court of Human Rights.[251] In considering the fair and equitable treatment claims, he found that the *FCTC* was relevant to the fair and equitable treatment claims concerning the single presentation requirement but contrasted the specific support given to use of graphic health warnings in the Guidelines to the failure of any other Guidelines to specifically address single presentation requirement.[252] Arbitrator Born noted that the measure was not required by the *FCTC*, nor implemented by any other country in the world.[253] He criticised the effectiveness of the regulation in addressing its objective and found that this supported his finding that the single presentation requirement was arbitrary in circumstances of no clear evidence of government deliberations and this could support a claim of fair and equitable treatment breach.[254]

The narrower approach to interpreting the margin of appreciation available to states in similar circumstances adopted by Arbitrator Born could be adopted in future arbitrations: Ho recognises that the future tribunals are not bound by precedent and argues that future decisions may still limit domestic regulatory autonomy for states who wish to restrict intellectual property rights.[255] Documentation of government assessment of competing interests justifying a restriction on the exercise of intellectual property rights at the time of legislation should be useful to establish sufficient support for restrictions on the protection and enforcement of intellectual property rights and counter the types of concerns raised in the dissent. This assessment can include evidence of explicit consideration of a range of available alternatives, using the questions proposed in Part III. However, the outcome in Philip Morris-Uruguay suggests that identifying multilateral consensus supporting those restrictions can also be critical, particularly for states with limited resources like Uruguay.[256] The recognition that the FCTC can support plain packaging measures in both the Plain Packaging Decisions and Philip Morris-Uruguay is promising for legislators who are conscious that intellectual property policy has implications for a range of international obligations.[257] These include obligations to protect both foreign investors and a range of societal interests.

V. CONCLUSION

The Plain Packaging Decision shows how states can use the framework provided by TRIPS to calibrate local conditions in developing intellectual property policy. This does not mean that

[250] Ibid [330].
[251] Ibid [87] (Mr Born).
[252] Ibid [99] (Mr Born).
[253] Ibid [99]-[101] (Mr Born).
[254] Ibid [174]-[179] (Mr Born).
[255] Cynthia Ho, (n 6) 452-453.
[256] See generally Suzanne Y Zhou, Jonathan D Liberman and Evita Ricafort, 'The Impact of the WHO Framework Convention on Tobacco Control in Defending Legal Challenges to Tobacco Control Measures' (2019) 28 (Suppl 2) *Tobacco Control* s113.
[257] Gervais identifies the Uruguay-Philip Morris decision as an example of the increasingly frequent use of human rights jurisprudence in investor state disputes: Daniel Gervais, 'Intellectual property: a beacon for reform of investor-state dispute settlement' (2018) 40 *Michigan Journal of International Law* 40 289, 310.

local conditions can be prioritised without regard to international obligations. However, it shows that all WTO Member States, even developed countries, can use careful legislative development to take advantage of the flexibilities built into TRIPS. This can permit them to calibrate local interests and recognise relevant overlapping international obligations that constitute societal interests. The scope of societal interests that can support restrictions on intellectual property overlaps with social welfare interests that are consistent with the objectives and principles provisions of TRIPS, as well as the Preamble. These include but are not limited to public health objectives.

The analysis determining whether Plain Packaging Legislation unjustifiably constituted special requirements on the use of trade marks in breach of Article 20 provides insight into how domestic legislators can interpret the provisions of TRIPS using Articles 7 and 8. The Panel's use of the FCTC in the decision suggests that the legitimacy of societal interests as support for restrictions on intellectual property rights can be strengthened by non-WTO agreements. This approach is important to addressing fragmentation between WTO obligations and non-WTO obligations for states seeking to achieve a balance of rights and obligations in the protection and enforcement of intellectual property rights in the future. States now have greater guidance about how they can recognise societal interests that may restrict the rights of intellectual property owners. This interpretation can now form the basis for assessment of future intellectual property legislation using the four questions suggested in Part III. This approach could also have been useful to support Uruguay in the Philip Morris-Uruguay dispute about tobacco packaging. Considering and addressing these questions can help to address fragmentation resulting from overlapping obligations in bilateral and plurilateral agreements that influence intellectual property policy because they include TRIPS-plus provisions or investor state dispute mechanisms.

States should assess whether intellectual property legislation engages the interests of multiple stakeholders relevant to local conditions and consult with those stakeholders as they develop policy. They should also consider other international obligations that the legislation might engage. They should then assess the nature of any restrictions that the legislation might make on the legitimate interests of intellectual property owners and determine whether the restriction is justified by sufficiently supported societal interests, consistent with the object and purpose of TRIPS. They should also consider available alternatives as part of an ongoing commitment to ensuring that these measures are effective in supporting societal interests. If states make conscious legislative decisions to take advantage of the flexibilities in TRIPS articles 7 and 8 that have been highlighted by the Plain Packaging Decisions, they can more confidently balance the interests of intellectual property owners against legitimate societal interests including, but not limited to, the protection of public health.