

JAPAN INTELLECTUAL PROPERTY ASSOCIATION

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Mr. Alexander Erwin (Chairperson)
DS Registry (Office No. 2047)
World Trade Organization
Centre William Rappard
Rue de Lausanne 154
CH-1211 Geneva 21
Switzerland

Re: *Australia – Certain Measures Concerning Trademarks and Other Plain Packaging Requirements Applicable to Tobacco Products and Packaging (WT/DS434)* and *Australia – Certain Measures Concerning Trademarks, Geographical Indications and Other Plain Packaging Requirements Applicable to Tobacco Products and Packaging (WT/DS435, WT/DS441, WT/DS458, WT/DS467)*

Dear Mr. Chairman,

The Japan Intellectual Property Association (JIPA) is pleased to submit this *amicus curiae* brief, which presents its views on the dispute settlement proceedings concerning Australia's plain packaging measures for tobacco products. JIPA understands that the Panel has the discretion to accept and consider *amicus curiae* submissions, and in these disputes the Panel has indicated that it will accept submissions presented before April 27, 2015. We appreciate the opportunity to provide our views to the Panel and respectfully request that the Panel circulate these views to the parties to the dispute and to third parties, as well.

JIPA is a non-profit, non-governmental organization representing approximately 900 major Japanese companies. It was established in 1938 for the purpose of promoting intellectual property protection. When appropriate opportunities arise, JIPA wishes to provide related institutions all around the world with well-timed, suitable opinions on improvement of their intellectual property systems and their utilization.

Many of JIPA's members have grown competitive in global markets through long years of investments on branding. Free and fair international trade rules including intellectual property protection are indispensable for their continuous growth. For maintaining the competitiveness of Japanese products and their future growth in global markets, JIPA wishes to stress the importance of protection for intellectual property as well as geographical indications ("GIs").

Once again, we thank you for this opportunity to provide our views and your consideration on our opinions would be greatly appreciated.

Sincerely,

(Takatoshi KONDO)

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**JIPA’s views on the dispute settlement proceedings concerning
Australia’s plain packaging measures for tobacco products**

Japan Intellectual Property Association

1. JIPA wishes to express its support for high standards of intellectual property protection and the respect of international trade rules that are indispensable to the economic growth and sustainable development of any countries. It is in this context that JIPA is extremely concerned by measures that substantially deprive its owners of intellectual property protection by limiting distinctive function of trademarks, the so-called “plain packaging measures”.
2. Trademarks and GIs represent the lifeblood of a healthy competitive marketplace and are the legal incarnations of a trader’s ability to develop brands that consumers know and trust. The protection of trademarks and GIs is essential in identifying and distinguishing products in marketplace and is a fundamental tenet of law enshrined in domestic laws as well as in several international agreements, including the covered agreements of the World Trade Organization (“WTO”).
3. JIPA has a strong doubt that Australia’s plain packaging measures are consistent with the minimum standards set out in the Agreement on Trade-Related Aspects of Intellectual Property Rights (“TRIPS Agreement”). In the TRIPS Agreement, the WTO Membership enshrined the protection of intellectual property rights and recognized the need to promote effective and adequate protections for these rights. With the plain packaging measures, the WTO is now confronted with an effort to undermine decades of international progress that has allowed many members – Japan included – to grow markets through the development of trusted brands. JIPA worries that the plain packaging is a step in the wrong direction in terms of intellectual property protection and urges the Panel to closely scrutinize many aspects of the plain packaging on its consistency with both the text and spirit of the TRIPS Agreement.
4. As an initial matter, JIPA is concerned that Australia’s plain packaging measures are inconsistent with the spirit of Article 15 of the TRIPS Agreement. Article 15 sets out a definition of a “trademark” and requirements for registration. In principle, however, it protects the “trust for the product” which is nurtured along with the use of trademarks. As the plain package measures undermine trademark’s function to distinguish, they substantially impede “trust” which embodies itself in trademarks. In particular, non-inherently distinctive signs can never be capable of constituting a trademark under the plain packaging because they require use in order to develop distinctiveness.
5. JIPA recognizes that Article 17 of the TRIPS Agreement provides that WTO Members may impose limited exceptions to the rights conferred by trademarks. However, those limited exceptions must take into account the legitimate interests of trademark owners and third parties. JIPA is concerned that plain package measures harm legitimate rights of trademark owners and consumers as the enforced use of standard package design required by Australia’s plain packaging measures undermines trademark’s function to distinguish and it will result in making pirated product which has no proof of quality control much easier to go into markets.
6. Trademarks and GIs are an integral component of vibrant competition in the global marketplace. Therefore, JIPA worries that the plain packaging – by diminishing the functions of trademarks and GIs and the rights and privileges afforded to their owners –will also serve to undermine fair competition. Article 10bis of the Paris Convention for the Protection of Industrial Property (“Paris Convention”), which is incorporated into the TRIPS

Agreement in Article 2.1, expressly obliges WTO Members to protect against unfair competition. Rather than ensuring protection against unfair competition, JIPA has a doubt on the plain packaging measure's consistency with the provisions of the Paris Convention that are meant to protect against unfair competition.

7. Article 20 of the TRIPS Agreement prohibits WTO Members from imposing any special requirements which create unjustified encumbrances on use of a trademark in the course of trade. JIPA doubts that the plain packaging measures are consistent with Article 20 of the TRIPS Agreement as they: 1) enforce the use of trademark (brand name) with a standard package design, 2) allow the use of brand name only in a standard form, and 3) allow only a standard package design and are detrimental to distinguishing goods or services. Rather than developing regulations that seek to preserve as much of the distinguishing features of trademarks and GIs as possible, it can be said that the plain packaging selects the most restrictive regulatory option without assessing whether certain stylistic typefaces, graphics or colors could have been retained. JIPA submits that this type of regulatory approach is inconsistent with the object and purpose of the TRIPS Agreement and doubts there is a legitimate basis upon which to justify such encumbrances. Finally, when assessing the evidence that Australia must submit in order to justify its plain packaging measures, JIPA submits that the nature of the drastic encumbrances should inform the standard by which this evidence is evaluated.
8. JIPA's concerns stem not just from the fact that the plain packaging possibly violates the TRIPS Agreement with respect to tobacco trademarks and GIs. The plain packaging facilitates counterfeiting and as a consequence those poor quality goods which cannot be qualified as "tobacco products" because they do not satisfy the standards set for legitimate tobacco products would easily go into the market. This is detrimental to consumers' benefit not only in term of financial but also in health. More importantly, the precedent set in this case may apply to other goods and services that may have an impact on health or other priority policies. JIPA recognizes that WTO Members possess broad latitude to regulate in the area of public health and supports the strict regulation of tobacco. The rules concerning the protection of intellectual property rights should not rise and fall based on the popularity of the legal product to which the trademarks or GIs are applied. If Australia's efforts to discriminate against tobacco trademarks based on the nature of the good are found to be consistent with WTO rules, the strength of intellectual property protection would depend upon the disparate policy choices of individual members and the relative assessment of whether a product is "good" or "bad". This would inevitably lead to a global patchwork of intellectual property protections diametrically opposed to the central objective of the TRIPS Agreement: to *decrease* distortions and impediments to international trade.
9. While governments certainly have the authority to regulate to protect the public interest, such measures have to be consistent with international legal obligations. They should be proportionate and evidence-based. The Plain Packaging, in our view does not meet such requirements.

⟨End⟩

C.C.: H.E. Mr. Iman Pambagyo Deputy Permanent Representative, Ambassador in charge of WTO issues of the Republic of Indonesia, Permanent Mission of the Republic of Indonesia to the United Nations, World Trade Organization (WTO) and other International Organizations at Geneva, Rue de Saint-Jean 30 1203 Geneva, Switzerland

H.E. Mr. Yuri Klymenko, Permanent Representative of Ukraine to the United Nations and other international organizations in Geneva, Permanent Mission of Ukraine to the United Nations Office and other International Organizations in Geneva Trade and Economic Mission, Rue de l'Orangerie 14 1202 Geneva, Switzerland

H.E. Mr. Dacio Castillo, Permanent Representative of Honduras to the WTO Misión Permanente de la República de Honduras ante la OMC Rue de Vermont 9A 1202 Geneva, Switzerland

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H.E. Mrs. Anayansi Rodriguez Camejo, Permanent Representative of Cuba to the WTO, Misión Permanente de la República de Cuba ante la Oficina de las Naciones Unidas y otras Organizaciones Internacionales en Ginebra Chemin de Valérie 100 1292 Chambésy, Switzerland

H.E. Mr. Hamish McCormick, Permanent Representative of Australia to the WTO, Permanent Mission of Australia to the WTO, Chemin des Fins 2 1211 Geneva 19 Case postale 102 1211 Genève 19

Mr. Naoshi Hirose, Director General, Multilateral Trade System Department, Ministry of Economy, Trade and Industry

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