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# Plain packaging and the TRIPS Agreement: A response to Professors Davison, Mitchell and Voon

Daniel Gervais\*

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*The issue of plain packaging is at the very core of the intersection between trade law, intellectual property and public health. Unlike the issue of export of generic pharmaceuticals, which was addressed in the World Trade Organization by the adoption of a specific Declaration and notification system, it seems that plain packaging will be addressed by the WTO Dispute-Settlement Body. A report prepared by the author in 2010 discussing the intellectual property aspects of plain packaging was critiqued by Professors Davison, Mitchell and Voon in several publications and submissions, including a recent book. In this article, the author responds to those critiques, reiterating the importance of the issue and analysing developments since 2010, including the adoption of the Australian plain packaging legislation.*

Two chapters of a book entitled *Public Health and Plain Packaging of Cigarettes: Legal Issues*,<sup>1</sup> comment on points made in a report that I prepared in November 2010 on plain packaging of tobacco products and the TRIPS Agreement.<sup>2</sup> These chapters, (a) by Professors Mitchell and Voon (jointly),<sup>3</sup> and (b) by Professor Davison,<sup>4</sup> examine the compatibility of plain packaging regulations concerning tobacco products with TRIPS (and other WTO Agreements). Let me note at the outset that the authors agree with my report on several points. Unfortunately, however, their chapters distort the report's arguments and conclusions. At the beginning of the report I set out my intention to present a balanced view of the matter. It is of course open to others to debate the issues raised, but the tone of Davison's chapter in particular goes beyond the bounds of scholarly disagreement. For example, Davison refers to me as a "tobacco advocate" for providing an analysis that basically demonstrates why Art 20 of TRIPS applies to plain packaging, a conclusion with which Professor Mitchell himself agrees. Professor Davison's critique is the same as saying that someone who defends free speech necessarily agrees with the speaker.

Professor Davison also points to the arguments I make that may be seen as contrary to the interests of trademark owners (to name just one, that WTO members can ban the sale of certain products), but refers to them as "concessions", thereby suggesting a lack of objectivity on his part. Professor Davison has made it difficult to engage in a serious debate on the issues. For example, his recent article in the *European Intellectual Property Review* ends with these two sentences: "I speak for a group that is necessarily silent, has long ceased to have any property rights and has no formal legal representation. I speak for 820,000 Australians – all dead."<sup>5</sup> The implications are clear. Professor Davison seems to me to be saying that my suggestion (or anyone else's) that there are important legal issues worth discussing here is itself unacceptable. I disagree.

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<sup>1</sup> Mitchell A, Voon T and Liberman J (eds), *Public Health and Plain Packaging of Cigarettes: Legal Issues* (Edward Elgar, Cheltenham, UK, 2012).

<sup>2</sup> Gervais D, "Analysis of the Compatibility of certain Tobacco Product Packaging Rules with the TRIPS Agreement and the Paris Convention", 30 November 2010, <http://www.tripsagreement.net/documents/2010%20Gervais%20Report.pdf>.

<sup>3</sup> Mitchell and Voon, "Implications of WTO Law for Plain Packaging of Tobacco Products" in Mitchell et al, n 1, Ch 6.

<sup>4</sup> Davison, "The Legitimacy of Plain Packaging under International Intellectual Property Law: Why there is no Right to Use a Trademark under either the Paris Convention or the TRIPS Agreement" in Mitchell et al, n 1, Ch 5.

<sup>5</sup> Davison M, "Plain Packaging of Tobacco and the 'Right' to Use a Trade Mark" (2012) 34(8) EIPR 498 at 501.

There are a number of points of substance on which I disagree with Professors Mitchell, Voon and Davison and, in this response, I wish to explain those divergences, and why I believe my report is correct. For instance, to the extent that their argument is that trade law, including TRIPS, must necessarily yield to *any* measure that involves a public health matter, I take the view that this is unlikely to convince a WTO dispute-settlement panel or the Appellate Body.<sup>6</sup> It is reasonable to assume that a panel (or the Appellate Body) would engage on the merits of the measure. Indeed, it has done so in other – and many recent – cases involving trade and health, including tobacco: I refer to the relevant WTO cases below. I will also refer briefly in this response to the Australian legislation on the matter, the *Tobacco Plain Packaging Act 2011* (Cth) (TPPA),<sup>7</sup> which was unavailable at the time my report was prepared, although I do not purport to offer a full analysis of the new law and the WTO developments in respect of it that postdate my 2010 report.<sup>8</sup>

I use the following structure below when considering these points: (1) “Why this matters”; (2) “The matter of the commissioning party”; (3) “The ‘right to use’ issue”; (4) “The FCTC issue”; (5) “TRIPS Art 20”; (6) “The nature of justification under Art 20”; (7) “Doha Declaration on TRIPS and Public Health”; and (8) “Final thoughts”.

## 1. WHY THIS MATTERS

Let me re-emphasise the importance of the issue, and of getting answers to the questions raised by plain packaging right, and my great reluctance to refuse to engage on the applicable rules just because tobacco is involved.

Perhaps the hardest international law question at this juncture is how intellectual property rules should interface with other trade rules and with non-trade rules.<sup>9</sup> One can paint normative paths, but I do not believe that those paths provide complete answers. In the rule-based WTO system, interpretation of negotiated texts is extremely relevant and important. Plain packaging and important public health questions that affect or are affected by trade rules have emerged and will continue to do so. At the time of writing, it seems that one or more WTO dispute-settlement panels and possibly the Appellate Body will be called upon to decide this extremely important point, and they too must strike the right balance between intellectual property rights and other considerations.<sup>10</sup> I believe there is value in maintaining the systemic integrity of the WTO.

With this in mind, I do not believe that a dispute-settlement panel or the Appellate Body would find it easy – or indeed desirable – to limit itself to dismissing any and all WTO or TRIPS obligations because a (admittedly serious) public health issue is involved. Nor do I believe that they would disregard previous panel and Appellate Body reports.<sup>11</sup> Instead, I suggest that a panel would consider available evidence. As the eminent US jurist Learned Hand once wrote: “No one will deny that the law should in some way effectively use expert knowledge wherever it will aid in settling disputes. The

<sup>6</sup> See, eg Mitchell A and Studdert D, “Plain Packaging of Tobacco Products in Australia: A Novel Regulation Faces Legal Challenge” (2012) 307(3) JAMA 261 at 262: “[TRIPS] article 8.1 states that members may adopt ‘measures necessary to protect public health,’ provided such measures are consistent with TRIPS. Moreover, the WTO Ministerial Conference has affirmed that TRIPS ‘does not and should not prevent Members from taking measures to protect public health.’ In sum, *encumbrances on trademarks that are designed to protect public health* are unlikely to breach TRIPS” (notes omitted and emphasis added).

<sup>7</sup> The Act requires that all tobacco products sold in Australia be in plain packaging by 1 December 2012. It is worth noting that, in reasons released on 5 October 2012 to explain its order of 15 August of the same year, the High Court discussed the notion of property (and the related notion of property as a purely “negative right”) and whether the TPPA constituted an acquisition of property by the Commonwealth on unjust terms contrary to *Constitution*, s 51(xxxi). A majority of the court found the statute constitutional; *JT International SA v Commonwealth* (2012) 86 ALJR 1297; [2012] HCA 43.

<sup>8</sup> See n 10.

<sup>9</sup> See Dinwoodie GB and Dreyfuss RC, *A Neofederalist Vision of TRIPS: The Resilience of the International Intellectual Property Regime* (OUP, UK, 2012).

<sup>10</sup> Disputes 434, 435 and 441 were filed (against Australia) by Ukraine, Honduras and the Dominican Republic, 13 March, 4 April and 18 July 2012, respectively. Several other countries asked to join the consultations. In August 2012, Ukraine issued a notice that those consultations had failed to resolve the dispute, and requested that a WTO panel be established to examine the matter.

<sup>11</sup> Chua A, “The Precedential Effect of WTO Panel and Appellate Body Reports” (1998) 11 Leiden J of International Law 45.

only question is as to how it can do so best.”<sup>12</sup> Nor do I believe that tobacco is such a *sui generis* matter (among public health issues) that the WTO will, via dispute-settlement, craft a separate set of rules. For instance, on 26 May 2012, the World Health Organization’s Health Assembly adopted a series of resolutions and decisions concerning non-communicable diseases (NCDs):

Delegates approved the development of a global monitoring framework for the prevention and control of NCDs, including indicators and a set of global targets. Member States agreed to adopt a global target of a 25% reduction in premature mortality from non-communicable diseases such as cardiovascular disease, cancer, diabetes and chronic respiratory diseases by 2025.<sup>13</sup>

Professor Ian Gilmore, President of the UK Royal College of Physicians and chair of the Alcohol Health Alliance UK, recently opined:

We need an international framework convention for alcohol control, similar to that on tobacco, as soon as possible, to put into practice the evidence-based measures needed to reduce alcohol-related harm. These include increasing the price of alcohol, reducing its availability and banning advertising, and the action needs to start now.<sup>14</sup>

I do not mention this because I disagree that such measures may be desirable. That is a different debate. I do believe, however, that any process leading to the adoption of measures concerning NCDs would benefit from a good understanding of applicable trade and intellectual property rules. I realise that there is, at its core, a philosophical question on the scope of regulatory interventions that would warrant a full discussion, although it is outside the scope of this response. That question is the extent to which the state should control potentially harmful activities and products used by adults beyond providing potential users of such products and activities with accurate information on the risks involved. As I explain below, I support rules to prevent or limit the access of minors to tobacco (and alcohol for that matter) and bans on smoking in public places like restaurants and bars. But once again, that, it seems to me, is an analytically separate debate to the proper understanding of applicable TRIPS and other WTO rules.

Trademarks are powerful symbols and have value on many levels. For example, they often reduce transaction costs by allowing consumers readily to identify and distinguish products and services, and they can also offer a guarantee of quality and/or consistency of the product or service (eg, car parts or pharmaceuticals) with which they are associated. These functions are common to trademarks on all types of products and services, so the rules we make for tobacco trademarks are very likely to affect other marks. Indeed, they may also affect many other intellectual property rights.

Trademarks have value not just to their owners but to consumers. Hence, the regulation of trademarks also affects consumers. With that in mind, when a product is legal (I do not understand proponents of plain packaging to be asking for an outright ban on tobacco), then trademarks are useful and in many cases necessary to identify the product.

## 2. THE MATTER OF THE COMMISSIONING PARTY

As is obvious from the very first sentence of my 2012 report, it was “prepared for Japan Tobacco International”. For this reason, some of the critiques of my report have said or implied that it is fatally flawed and/or identified me as a “tobacco advocate”. When I was asked what I believed would happen if the matter went before a WTO panel, I thought the matter was (for reasons already mentioned) of the utmost importance and gladly offered my opinion. That said, personally, I am no fan of tobacco. I believe in tobacco control and in particular that tobacco should not be made available to minors. As I state above, I fully support smoking bans in certain public places such as restaurants and bars. However, I do not believe that those views modify the applicable legal analysis. It is worth underscoring the fact that the product remains legal.

<sup>12</sup> Learned Hand, “Historical and Practical Considerations Regarding Expert Testimony” (1901) 15 Harv L Rev 40 at 40

<sup>13</sup> World Health Organization, “65th World Health Assembly closes with new global health measures”, [http://www.who.int/mediacentre/news/releases/2012/wha65\\_closes\\_20120526/en/index.html](http://www.who.int/mediacentre/news/releases/2012/wha65_closes_20120526/en/index.html) (viewed 15 June 2012).

<sup>14</sup> “Alcohol disease is one of biggest killers in Europe”, <http://www.whatsonxiamen.com/news5769.html> (viewed 15 July 2012).



I contend that one should be able to discuss the legality of a plain packaging measure without defending tobacco or smoking on the one hand, or measures to reduce smoking on the other hand. Part of the reason for this is that any analysis of trade rules, intellectual property and public health measures has implications beyond the tobacco context. As I state in my 2010 report:

In this report, I endeavor to separate the relevant intellectual property issues from broader normative questions. Such a sequential analysis may allow a better understanding of applicable rules, that is, before overlaying extrinsic factors. Naturally, policymakers and the above-mentioned dispute-settlement entities must take account of all facets.<sup>15</sup>

As noted above, smoking is not alone in the category of risky products and activities. Sugar-laden food products and alcohol, to name just two examples, would also fit on the list of products that pose serious health risks (although different types of products pose different risks to different people) with continued use.<sup>16</sup> I certainly agree that consumers should be properly informed of the risks of any product and that packaging should be fair and not misleading.<sup>17</sup> Indeed, my report is entirely consistent with this view. However, for a market to function adequately manufacturers also have the right to identify and differentiate products from those of competitors, provided of course that the sale of the product itself is legal. That is the purpose of trademarks (see TRIPS, Art 15).

I take this issue very seriously. Questions like the compatibility of the TPPA with the TRIPS Agreement must be addressed fully and carefully because the conclusions we draw with respect to plain packaging may eventually be ported to other contexts, a matter to which I return in the last section of this paper. Simply put, I cannot agree with those who refuse to engage, or stigmatise my engagement, in a discussion of applicable rules and merely wish to state that rules do not apply because tobacco is involved. At the very least, if one wants to argue that plain packaging is such a *sui generis* issue that it stands alone in public health matters, one should identify the applicable criteria to justify this conclusion, a matter to which I return below.

There are, in fact, two normative aspects to the discussion that those who argue that trade rules must necessarily yield to any tobacco control measure ignore. First, I believe that we need coherency in how trade rules are applied. The systemic integrity of the WTO and its dispute-settlement function is important to the world trading system. If members can determine that a matter is of such importance and adopt any measure related thereto while the WTO gives them a pass without scrutiny, that integrity will be in doubt. As such, one should have the right – if not the obligation – to discuss this matter in depth without that person's intent being questioned. Tests such as necessity and justification and the associated burdens of proof are horizontal matters at the WTO and what happens to tobacco trademarks will affect many other areas. Second, as noted above, trademarks have an important communication function. They provide consumers with information and a degree of quality assurance. These functions are common to all trademarks, not just tobacco trademarks.

Let me now turn to the substantive critiques raised in the Mitchell/Voon and Davison chapters.

### 3. THE “RIGHT TO USE” ISSUE

Mitchell/Voon and Davison make a big point of their disagreement with my comment that the spirit of the *Paris Convention for the Protection of Industrial Property* (Paris Convention) is to allow trademark use. Here is the Mitchell/Voon comment: “Although Gervais does not suggest that plain packaging per se would be inconsistent with TRIPS Article 15.4 or Paris Convention Article 7, he sees Article 7 as ‘an indicator that the *spirit* of the Paris Convention is to permit the use of marks’.”<sup>18</sup> They insist that there is no “right to use” a trademark in either TRIPS or the Paris Convention and further

<sup>15</sup> Gervais, n 2, para 2. My report states very clearly (and Mitchell/Voon formally acknowledge this) that I deliberately set aside the normative underpinnings of the analysis. Governments and others that I have worked with typically want to know what WTO law says. They usually understand the normative context.

<sup>16</sup> This list could include a number of high-risk sports and activities as well.

<sup>17</sup> As consumers, we may in fact have better information about tobacco products than several chemicals used in products we use daily that may pose health risks with continued use.

<sup>18</sup> Mitchell and Voon, n 3, p 115.

that a restriction on the use of trademarks is not contrary to Paris Convention, Art 7 or TRIPS, Art 15.4. They suggest that I disagree with this view. Davison goes a (big) step further by stating: "Gervais then proceeds to suggest, but not expressly claim, that Article 6 quinquies creates an implied right of use."<sup>19</sup> What does my report *actually say* on this point, namely the literal incompatibility with the Paris Convention or TRIPS of a measure preventing the use of a trademark?

[T]he trademark as a mere "negative right" argument has support in a literal interpretation of the Agreement because neither Article 16 nor any other provision in TRIPS explicitly grants a positive *right to use* a trademark. To that extent, Article 17, which limits the possibility of imposing exceptions on the rights conferred by Article 16, is not directly applicable.<sup>20</sup>

I am thus not convinced that the depiction of my report is entirely accurate (to say the least). On the substantive point we may indeed disagree, however. To be clear, the point in my report is *not* (as I explain in the above quote and elsewhere in the report) that there is a right to use that directly limits what a WTO member can do in regulating the use of trademarks. My report is clear – as the above quote should make plain. My report sets out to explain why the interests of trademark owners are best served by actual use not (just) registration and hence, in context, the "spirit" of trademark law is to allow use. This is not a radical point. It is anchored in a purposive interpretation of the Paris Convention and the TRIPS Agreement. Negative rights are often what all property is. The right to exclude from property gives rise to exclusive possession and we do not grant exclusive property rights merely to allow owners to exclude others. It is a means to an end. This is a complex matter I plan to develop more fully in a separate article.

As a matter of trademark law and policy, however, I am in good company. Mitchell/Voon quote a highly respected European trademark scholar, Dr Annette Kur, who wrote that "a total ban against the use of tobacco trade marks on other products ... would contradict, not the letter, but the spirit of international conventions".<sup>21</sup> In trademark-specific terms, I believe, and explain in the 2010 report, that *actual use* is reflected in trademark theory, particularly in common law jurisdictions where actual use in commerce is the only possible source for a passing off claim. An element of the tort is goodwill, and goodwill is (self-evidently) difficult to generate without actual use of a mark. Additionally, significant use is required if a mark is to achieve "well-known" (under the Paris Convention or TRIPS, Arts 16.2, 16.3) or "famous" status (eg, under US dilution provisions).

This analysis also applies to the reference in my 2010 report to the WTO panel report in a dispute concerning European geographical indications.<sup>22</sup> Again, I consider that my report is clear in this regard. Indeed, I used a long quote from the panel report to maintain context.<sup>23</sup> It shows, *inter alia*, that the panel agreed that a "trademark owner has a legitimate interest in preserving the distinctiveness, or capacity to distinguish, of its trademark so that it can perform that function". A legitimate interest is not a positive, absolute right to use. Indeed, just two footnotes before that quote I state that "the absence of a formal 'right to use' either in Article 16.1 or in Article 24.5, which does use the expression 'right to use a trademark', is mentioned by the WTO panel" in the same case. Unfortunately, the reader of the Mitchell/Voon and Davison critiques again may not get an accurate picture of my report.

My intention was and is simple and does not strike me as particularly controversial: I point out that preventing the use of marks has consequences in trademark law because use in commerce and consumer perception/ goodwill have historically been a normative underpinning of trademark law. Hence, preventing use of a mark may impact the scope of rights and remedies available to a trademark owner. This point is important despite Mitchell/Voon's and Davison's attempt to minimise it or indeed

<sup>19</sup> Davison, n 4, p 84.

<sup>20</sup> Gervais, n 2, para 29.

<sup>21</sup> Kur A, "The right to use one's own trade mark: a self-evident issue or a new concept in German, European and international trade mark law?" (1996) 18(4) EIPR 198 at 203.

<sup>22</sup> *EC – Trademarks and Geographical Indications (Australia)*.

<sup>23</sup> Gervais, n 2, para 24.

negate it entirely. I find (additional) support for my claim in the TPPA, which had to amend Australian trademark law *because plain packaging conflicts with the normal trademark position*. First, the TPPA directs the Registrar of Trade Marks not to reject, revoke, refuse to register or remove from the register a trademark that is not used because of the restrictions on use contained in the legislation (s 28). Second, in a rather unusual move, the *Trade Marks Amendment (Tobacco Plain Packaging) Act 2011* (Cth) (s 2) delegates power to the Australian Executive *to amend Australian trade mark legislation*.<sup>24</sup> In the context of the draft legislation, Liberal senators noted the prior view of the Administrative Review Council: “[I]t is clearly inappropriate for a body subordinate to Parliament to amend or alter an Act of Parliament. This is particularly so when changes affect the essential elements of a scheme, alter the ambit of legislation, place restrictions on rights, or alter obligations.”<sup>25</sup> This delegation was also questioned in the Australian Senate:

[B]y its least generous interpretation, the [*Trade Marks Amendment (Tobacco Plain Packaging) Bill 2011*] enables the Minister to make regulations significantly contrary to the [*Trade Marks Act 1995* (Cth)]. By its most generous interpretation, the Bill enables the Minister to make regulations with respect to anything related to trade marks.

Liberal senators consider that even by its least generous interpretation, the scope of the regulation-making powers provided by this Bill are excessively broad and should not be supported.<sup>26</sup>

The importance of use of a trademark was also acknowledged by Professor Mitchell in a previously published article:

While the shift towards plain packaging would affect the “use” of tobacco trademarks, the “registration” of such trademarks would remain unaffected. The plain packaging initiative seeks to prevent use of the tobacco trademark, not to limit the right to register. The fact that a trademark has been registered for a particular good does not give the owner the right to use that mark or be exempted from any regulatory limitation on the use of the mark ... In any event, plain packaging does not affect “registration” and there is therefore no violation of TRIPS Article 15(4) and Paris Convention Article 6 quinquies (B). However, even if it were accepted that plain packaging did affect registration of tobacco trademarks, it may fall within the morality and public order exception in Paris Convention Article 6 quinquies (B)(3).<sup>27</sup>

This quote also touches on the morality issue, which I discuss in my 2010 report. My understanding is that the morality rule in the Paris Convention applies to the *mark itself*, not the product. On this point, it seems that Professor Mitchell and I do disagree. On the broader point, however, plain packaging in principle clearly affects registration by making it possible to strike a mark from the register for non-use, a matter that the Australian legislation acknowledges by making an exception to this well-known rule. Davison seeks to take the arguments against the existence of a right to use much further. He argues that, if one agrees that there is a right to use a trademark, then WTO members cannot ban the sale of products because that amounts to a ban on the use of the mark. He writes:

[A] right to use a trademark, coupled with an obligation to register some trademarks under Article 6 quinquies and an inability to refuse that registration on the basis of the nature of the goods for which registration may be sought under Article 7, may actually also prevent a ban on products. In other words, the interpretation of the Paris Convention argued for by tobacco advocates is inconsistent with the idea that Member Nations have an unfettered right to ban any product.<sup>28</sup>

<sup>24</sup> Adding s 231A to the *Trade Marks Act 1995* (Cth).

<sup>25</sup> Administrative Review Council, *Rule Making by Commonwealth Agencies*, Report No 35, 26 March 1992, p 16.

<sup>26</sup> Australian Senate, Legal and Constitutional Affairs Legislation Committee, *Trade Marks Amendment (Tobacco Plain Packaging) Bill 2011 [Provisions]* (September 2011), p 25, “Dissenting Report by Liberal Senators” at [1.10]-[1.11]; see also [1.14] citing Administrative Review Council, n 25..

<sup>27</sup> Mitchell A, “Australia’s Move to the Plain Packaging of Cigarettes and its WTO Compatibility” (2010) 5(2) *Asian Journal of WTO and International Health Law and Policy* 405.

<sup>28</sup> Davison, n 4, p 90.

Actually, my report states: “no one doubts that WTO Members can ban the sale of certain products (eg pharmaceuticals, fireworks, alcohol and tobacco)”.<sup>29</sup> The question, therefore, is, when the product itself is legal, can a member simply ban the use of trademarks on the product and, if so, under which conditions? I must confess that I simply do not understand Davison’s argument and conflation of the issues. In any event, his argument does not detract from one of the core points in my report, which is not that there is a right to use a mark but that the spirit of trademark law, including in the Paris Convention, is to allow the use of marks not just to allow them to be registered and sit unused on the register.

#### 4. THE FCTC ISSUE

Do Mitchell/Voon and I disagree on the role of the *WHO Framework Convention on Tobacco Control* (FCTC)? They describe my 2010 report as follows:

[A]s regards the *WHO Framework Convention on Tobacco Control* (“FCTC”), to which Australia is a party, while Gervais is correct that this treaty does not explicitly mandate “plain packaging”, guidelines agreed by the Conference of the Parties to implement the treaty state that parties “should consider adopting ... plain packaging”. *This factor lends weight to the argument that plain packaging contributes to its health objectives and that Australia is pursuing plain packaging in order to promote those objectives.* And, *contrary to Gervais’s assertion*, the Appellate Body has previously relied on multilateral non-WTO sources as factual references or in determining the ordinary meaning of terms in WTO provisions in accordance with Article 31(1) of the VCLT [*Vienna Convention on the Law of Treaties*] [emphasis added].<sup>30</sup>

There are three points to consider. First, what did I *actually say* about the FCTC and the Guidelines in my report? Second, where do I assert that the Appellate Body never “previously relied on multilateral non-WTO sources as factual references or in determining the ordinary meaning of terms”? Third, does the FCTC lend weight to plain packaging arguments in a TRIPS context?

On the first point, here is what my report actually says: “It [the FCTC] contains provisions regarding tobacco packaging but does not require the parties to the FCTC to adopt plain packaging measures ... Plain packaging is not in the Convention but it is mentioned in paragraph 46 of the nonbinding Guidelines concerning Article 11 (Parties ... should consider ... such measures).” I believe that this statement is accurate and speaks for itself.

On the second point, I did *not* assert that the Appellate Body has not “previously relied on multilateral non-WTO sources as factual references or in determining the ordinary meaning of terms in WTO provisions in accordance with Article 31(1) of the VCLT”. Instead, I wrote:

The suggestion that TRIPS would be interpreted to “fit” the FCTC should be treated with utmost caution. The reliance by the WTO Appellate Body on public international law contained in non-WTO instruments has been limited thus far to the application of well-accepted principles of international law. Hence, *there is no precedent for using the history and interpretation of FCTC as a blueprint for the interpretation of the TRIPS Agreement* and/or to effect a reduction in the scope of stated obligations under the Agreement. That said, when new norms are reflected in an instrument adopted outside the WTO by a large contingent of WTO members – and especially if parties to a WTO dispute have adhered to such instrument – the question might legitimately be brought to the attention of a panel and/or the Appellate Body. Put differently, *a panel or the Appellate Body may consider whether there is an international consensus, or even norms, supporting a measure that is prima facie incompatible with a WTO Agreement such as TRIPS.* The FCTC, which also has later-in-time status, may thus be a relevant instrument [emphasis added].

<sup>29</sup> Gervais, n 2, para 64.

<sup>30</sup> Mitchell and Voon, n 3, p 127.

In light of what my report actually says, is the Mitchell/Voon critique on point? There is *no direct TRIPS "precedent"* that applies the FCTC to a TRIPS dispute. Obviously, this does not mean that the FCTC could not be considered in a TRIPS dispute. Indeed, I believe it would be. My point was and is that the FCTC neither rewrote trademark law, nor did it mandate plain packaging.<sup>31</sup>

On the third point, although (as just explained) the FCTC may obviously be relevant in a WTO dispute, the real question in my mind is whether it would carry the conclusive weight that Mitchell/Voon suggest. As I explain in my report, the FCTC would likely be used by both sides, that is, also as evidence that there is no international consensus on mandating plain packaging or any particular form of it.

A more fundamental question here is whether plain packaging is an end in itself or a means to an end. Is it so radical to suggest that we should ask experts whether that end is likely to be achieved by plain packaging and consider "the best available scientific evidence"?<sup>32</sup>

## 5. TRIPS, ART 20

### Article 20 applies

Professor Mitchell and I are in agreement that TRIPS, Art 20 applies to plain packaging measures. As he noted in a previous article:

Plain packaging is likely to fall within the scope of Article 20, because it constitutes a special requirement encumbrance. Article 20 does not define the term "encumber". However, according to its ordinary meaning, the term refers to special requirements that would have the effect of "hampering" or "limiting" the use of a trademark. Some have argued that because plain packaging effectively prohibits the use of a tobacco trademark, this is not a mere "encumbrance" and Article 20 does not apply. Instead, the encumbrance is so high that it amounts to an impermissible interference with the trademark owners' rights. However, it seems that the degree of encumbrance is irrelevant to the question of whether a measure is *prima facie* captured by Article 20.<sup>33</sup>

Davison argues that a total ban is not an encumbrance.<sup>34</sup> I identified other scholars in my 2010 report who disagree with this view that WTO members can do more (ban) but not less (impose special form, etc). On this point, people may disagree. However, the purpose of Art 20 seems to be to allow marks to fulfil their function, and a total ban does not seem consistent with such an objective. As far as I can see at least, everyone agrees that, for word marks, the *special format* imposed by Australia's legislation is subject to Art 20 scrutiny. The real issue is the need to *justify* a plain packaging measure under this provision. On that question, let us consider, first, the Mitchell/Voon critique of my report:

Gervais is incorrect in suggesting that the challenged measure must be "*reasonably expected to achieve the stated objective*" or that the respondent must show that its measure "*will achieve its legitimate public policy objectives*" in order for the measure to qualify as necessary or justifiable and therefore consistent with TRIPS Article 20. As the Appellate Body has stated, a respondent attempting to justify its measure as necessary under GATT Article XX must show that the measure "*brings about a material contribution to the achievement of its objective*" [emphasis added].<sup>35</sup>

This is indeed a crucial point, namely establishing whether a government that decides to impose plain packaging for tobacco products would have the burden to show that its measure is WTO-compatible, and, in the affirmative, what the nature of that burden is. Mitchell/Voon begin their critique by asserting that I failed to state the applicable test correctly and/or fully because the correct test is whether the measure "*brings about a material contribution to the achievement of its objective*". This again ignores the actual text of my report, which states:

<sup>31</sup> A party to the FCTC does not have to mandate plain packaging to comply with that Convention.

<sup>32</sup> *US – Measures Affecting the Production & Sale of Clove Cigarettes*, WT/DS406/R (2 September 2011) at [7.230]. See below for discussion of FCTC's role in a WTO case (*Clove Cigarettes*).

<sup>33</sup> Mitchell, n 27 at 412.

<sup>34</sup> Davison, n 4, pp 94-96.

<sup>35</sup> Mitchell and Voon, n 3, p 126.

Under TRIPS Article 20, an encumbrance (a measure amounting to a ban on the use of marks or imposing special use requirement) on the use of trademarks must be *justified*. To decide whether a measure is justified under Article 20, a panel must consider available evidence and “be satisfied that it brings about a material contribution to the achievement of its objective”. As noted above, I am not commenting on the status of available evidence as to whether measures mandating plain packaging or enlarged health warnings will achieve their stated objectives. This is matter for experts in the relevant fields. However, a measure must be considered holistically in terms of its actual impact and the effects or credible evidence of its expected efficacy. In making such an assessment, a panel would probably consider both whether a measure (a) was the least trade-inconsistent option; and (b) materially contributes to the achievement of the stated objective[emphasis added].<sup>36</sup>

The justificatory burden – as is *clearly explained fully and correctly* in my 2010 report – is one of “material contribution to the stated legitimate objective”.

### The real burden of proof issue

What burden would a party challenging a plain packaging measure have to meet? I do not think it is controversial as a matter of WTO law to suggest that the party asserting a fact, whether the claimant or the respondent, is responsible for providing proof for that fact. When a prima facie case has been established, the burden of proof then shifts to the other party.

The recent *Clove Cigarettes* dispute suggests to me that a similar rule would apply to a dispute involving tobacco packaging. The dispute was the first time a WTO dispute has been brought involving cigarettes in the context not of a fiscal tariff or tax, but a public health regulation (not unlike plain packaging, the measure at issue was specifically intended to target new smokers). It is thus pertinent (and in my view not at all surprising) that the Appellate Body engaged on the substance of the *Agreement on Technical Barriers to Trade* (TBT Agreement) and analysed whether the measure at issue was consistent with the United States’ trade obligations as a WTO member. I find the Mitchell/Voon and Davison suggestion that a panel would find Art 20 inapplicable or the Australia measure necessarily justified *just because* public health is involved, very hard to sustain in light of the Appellate Body’s findings, in particular:

We do not consider that the TBT Agreement or any of the covered agreements is to be interpreted as preventing Members from devising and implementing public health policies generally, and tobacco control policies in particular, through the regulation of the content of tobacco products, including the prohibition or restriction on the use of ingredients that increase the attractiveness and palatability of cigarettes for young and potential smokers. Moreover, we recognize the importance of Members’ efforts in the World Health Organization on tobacco control.

While we have upheld the Panel’s finding that the specific measure at issue in this dispute is inconsistent with Article 2.1 of the TBT Agreement, we are not saying that a Member cannot adopt measures to pursue legitimate health objectives such as curbing and preventing youth smoking. In particular, we are not saying that the United States cannot ban clove cigarettes: however, if it chooses to do so, this has to be done consistently with the TBT Agreement.<sup>37</sup>

This is almost exactly the point made in my 2010 report: yes, a public health measure targeting tobacco may be adopted but trade rules enshrined in WTO agreements, including TRIPS, may impose a duty to justify the measure if it prima facie violates a TRIPS obligation (or any obligation under a covered agreement). More specifically as to the burden of proof, the Appellate Body noted: “In our view, the burden of proof in respect of a particular provision of the covered agreements cannot be understood in isolation from the overarching logic of that provision, and the function which it is designed to serve.”<sup>38</sup>

<sup>36</sup> Gervais, n 2, para 112.

<sup>37</sup> *US – Measures Affecting the Production & Sale of Clove Cigarettes*, WT/DS406/AB/R (4 April 2012) at [235]-[236].

<sup>38</sup> *US – Measures Affecting the Production & Sale of Clove Cigarettes*, WT/DS406/AB/R (4 April 2012) at [286].

## Which burden?

TRIPS, Art 20 prevents certain measures from being applied unless they are justified. As such, it contains both an obligation (not to impose prohibited measures) but also an exception, namely the justification “out”. The burden under that provision is thus likely to be *split*: a party challenging a measure should bear the prima facie burden of showing that measure is inconsistent with an obligation under the covered agreements. If that burden is met, then the party asserting a justification should bear the burden of proving that same applies. It may be useful to recall in that context that in *EC – Asbestos*, the panel, in statements not reviewed by the Appellate Body, noted:

[I]nasmuch as the invocation of [Art XX] constitutes a “defence” in the sense in which that word is used in the above-mentioned report. It is therefore for the European Communities to submit in respect of this defence a prima facie case showing that the measure is justified ... in relation to the scientific information submitted by the parties and the experts ... the Panel does not intend to set itself up as an arbiter of the opinions expressed by the scientific community. Its role, taking into account the burden of proof, is to determine whether there is sufficient scientific evidence to conclude that there exists a risk for human life or health and that the measures taken by France are necessary in relation to the objectives pursued.<sup>39</sup>

Placing this second part (sequentially) of the burden of proof on the party asserting a justification seems to me to be fully consistent with WTO (and GATT) jurisprudence.<sup>40</sup> The Appellate Body noted:

[W]e find it difficult, indeed, to see how any system of judicial settlement could work if it incorporated the proposition that the mere assertion of a claim might amount to proof. It is, thus, hardly surprising that various international tribunals, including the International Court of Justice, have generally and consistently accepted and applied the rule that the party who asserts a fact, whether the claimant or the respondent, is responsible for providing proof thereof. Also, it is a generally accepted canon of evidence in civil law, common law and, in fact, most jurisdictions, that the burden of proof rests upon the party, whether complaining or defending, who asserts the affirmative of a particular claim or defence. If that party adduces evidence sufficient to raise a presumption that what is claimed is true, the burden then shifts to the other party, who will fail unless it adduces sufficient evidence to rebut the presumption.<sup>41</sup>

The desire for coherency is visible in several other panel reports. In *Tuna II*, the measure at issue was a ban on the use of “dolphin-safe” labels imposed by US law for tuna caught by setting on dolphins.<sup>42</sup> As I explain in my report, in that dispute the legitimacy of the objective was *not* at issue. Rather, the *method used to achieve such objective and its trade-restrictiveness* is what was subject to WTO scrutiny. The panel took a very long and hard look at the evidence and found that in fact the US labelling law did not adequately inform or protect consumers.<sup>43</sup>

The suggestion that a panel would not be willing or need to consider evidence on the efficacy of a measure simply because a public health measure is involved is similarly inconsistent with recent dispute-settlement reports. Indeed, panels now routinely consider available scientific evidence. The *Clove Cigarettes* panel noted that the “evidence before the Panel from health experts squarely contradicts Indonesia’s assertion that there is no scientific evidence to support the United States ban on clove cigarettes” referring to several scientific articles and WHO studies.<sup>44</sup>

<sup>39</sup> *EC – Measures Affecting Asbestos & Asbestos-Containing Products*, WT/DS135/R (18 September 2000) at [8.177]-[8.181].

<sup>40</sup> See *US – Section 337 of the Tariff Act of 1930*, L/6439, adopted, 7 November 1989, 36S/345, 393, at [5.27]; *US – Restrictions on Imports of Tuna*, DS21/R, unadopted, 3 September 1991, 39S/155, 197, at [5.22].

<sup>41</sup> *US – Measure Affecting Imports of Woven Wool Shirts & Blouses from India*, WT/DS33/AB/R (25 April 1997) p 14.

<sup>42</sup> *Dolphin Protection Consumer Information Act* (US), s 1385(d)(1)-(3) (relevant provisions effectively prohibit the use of “dolphin-safe” labels where purse-seine nets are intentionally deployed to encircle dolphins).

<sup>43</sup> *US – Measures Concerning the Importation, Marketing & Sale of Tuna & Tuna Products*, WT/DS381/R (15 September 2011) at [7.542].

<sup>44</sup> *US – Measures Affecting the Production & Sale of Clove Cigarettes*, WT/DS406/R (2 September 2011) at [7.400]-[7.413]; see also [7.415] (the panel noted specifically “there is extensive scientific evidence supporting the conclusion that banning clove and other flavoured cigarettes could contribute to reducing youth smoking”).

Interestingly, the FCTC guidelines seem stronger in the context of flavoured cigarettes than in the rather weak recommendation to “consider” plain packaging, a type of measure on which empirical data is not yet available (as there is not yet any real life experience of such a measure).

In short, my conclusion on this point is straightforward: TRIPS, Art 20 imposes a burden on the complaining party to prove encumbrance by special requirement. Once this burden has been met, it would seem more likely that a panel would leave it up to the member invoking a justification to establish such justification. I read Mitchell/Voon and Davison as suggesting that mere assertion of justification by Australia is sufficient. I disagree. They might want to explain more fully why a radically different standard should apply to plain packaging of tobacco than any other set of trade rules.

## 6. THE NATURE OF “JUSTIFICATION” UNDER ART 20

If then Australia must justify the measure it adopted, what would it have to demonstrate? Under Art 20 what matters is not necessity but justification.<sup>45</sup> Indeed, I considered the nature of the justification that might be required under Art 20 at length in my 2010 report. Let me restate that this is not a discussion about the nature of the objective, for I readily acknowledge that the protection of public health is a legitimate objective for a plain packaging measure.<sup>46</sup> The issue is thus closer to the matter discussed by the panel in the recent report in *Tuna II*,<sup>47</sup> where the panel considered *what the applicable test is once a measure is determined to have a legitimate objective*.

One may need to leave the purely normative realm. As I mention several times in my report and will repeat here, I believe it is a matter for actual experts in the field as to whether banning cigarette packs not in plain packaging will, *in fact*, materially contribute to the achievement of the stated objective for the ban. I do not share the suggestion that one should jettison the guidance from earlier disputes heard since the establishment of the WTO or indeed under the GATT. If a panel were to follow the path of consistency in interpreting the tests of necessity and justification, the case would boil down, as explained above, to an evidentiary matter about the reasonable availability of alternative measures and the effectiveness of plain packaging to achieve the desired objective(s).

Let us look at previous dispute-settlement reports on the application of the material contribution test. In *Brazil-Tyres*, whether something “makes a material contribution” was presented as a question of whether there is a “genuine relationship of ends and means between the objective pursued and the measure at issue”.<sup>48</sup> In *Korea-Beef* and *EC-Asbestos* (both decisions discussed in my 2010 report), the Appellate Body further developed and explained the test, and I believe that a panel would consider the analysis in those reports by the Appellate Body.<sup>49</sup> One might also consider *Canada – Wheat Exports*,<sup>50</sup> in which the Panel noted that the Appellate Body had indicated that, to decide whether an alternative measure is reasonably available, one should consider: (a) the extent to which it contributes to the realisation of the end pursued; (b) the difficulty of implementation; and (c) the trade impact of the alternative measure compared to the impact of the measurer for which justification is claimed.

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<sup>45</sup> Necessity is, however, relevant under TRIPS, Art 8, which I also discuss in my 2010 report.

<sup>46</sup> The position would be different, in my view, if the stated objective was to denigrate a lawful product because it was controversial in nature, such as cigarettes, alcohol or the sugar-laden food products I refer to above.

<sup>47</sup> *US – Measures Concerning the Importation, Marketing & Sale of Tuna & Tuna Products*, WT/DS381/R (15 September 2011) at [7.440].

<sup>48</sup> *Brazil – Measures Affecting Imports of Retreaded Tyres*, WT/DS332/AB/R (3 December 2007) at [145].

<sup>49</sup> *Korea – Measures Affecting Imports of Fresh, Chilled & Frozen Beef*, WT/DS161/AB/R (11 December 2000); *EC – Measures Affecting Asbestos & Asbestos-Containing Products*, WT/DS135/AB/R (12 March 2001).

<sup>50</sup> *Canada – Measures Relating to Exports of Wheat & Treatment of Imported Grain*, WT/DS276/R (6 April 2004) at [6.226].



More recently, in *Tuna II*, the panel accepted the view that the “US dolphin-safe provisions did not address observed mortality, and any resulting adverse effects on dolphin populations, for tuna not caught by setting on dolphins or high seas driftnet fishing outside the ETP” and went on to accept a Mexican proposal for a different AIDCP dolphin-safe standard that would not achieve the entire objective but would be less trade-restrictive.<sup>51</sup>

Policies designed to reduce smoking are often multifactorial, as the FCTC and other documents recognise. Indeed, the FCTC guidelines do not confirm (contrary to the assertion in the Mitchell/Voon chapter) that plain packaging will necessarily contribute to a reduction in youth smoking. They state that plain packaging “*may* increase the noticeability and effectiveness of health warnings and messages, prevent the package from detracting attention from them, and address industry package design techniques that may suggest that some products are less harmful than others”.<sup>52</sup> Again, my point is simple: why not let experts make their case?

## 7. DOHA DECLARATION ON TRIPS AND PUBLIC HEALTH

How much does the adoption of the *Doha Declaration on the TRIPS Agreement and Public Health* change the interpretation of TRIPS or WTO provisions as they may apply to a plain packaging case? Mitchell/Voon write the following about my report on this question:

In our view (and contrary to that of Gervais) this [the Doha Declaration] amounts to an authoritative interpretation of the TRIPS Agreement pursuant to Article IX:2 of the *Marrakesh Agreement Establishing the World Trade Organization*. And, in any case, it arguably constitutes a “subsequent agreement between the parties regarding the interpretation of the treaty or the application of its provisions”, which must therefore be taken into account in interpreting the TRIPS Agreement pursuant to Article 31(3)(a) of the VCLT.<sup>53</sup>

First, let us see once again what I *actually say* in my report:

[U]nder TRIPS Article 20, encumbrances on the use of trademarks must be justified. To decide whether a measure is justified under Article 20, a WTO dispute-settlement panel (as part of the process explained below) must consider the available evidence and “*be satisfied that it brings about a material contribution to the achievement of its objective.*” Public health policy is a valid area to seek to justify the adoption of relevant measures, as reflected in the principle laid out in TRIPS Article 8 (Principles) and other relevant documents, *including the 2001 Doha Declaration on TRIPS and Public Health. However, neither Article 8 nor this Declaration amount to a deletion of, or amendment to, Article 20* [emphasis added].

And later I also explain:

While I do not disagree with the view that the 2001 Declaration and the 2003 Decision are relevant to TRIPS, this statement begs other questions, namely whether, and if so why, one can apply the 2001 and 2003 texts to the plain packaging context. The 2001 Declaration noted that “[the Ministers] agree that the TRIPS Agreement does not and should not prevent members from taking measures to protect public health.” There is a significant difference, however, between the 2001 and 2003 documents. *The 2001 text is a declaration, an important text but not one which can amount to an amendment to the TRIPS Agreement.* A decision, such as the 2003 text (which does not speak directly to plain packaging measures or measures requiring enlarged health warnings), is operational and has higher legal status. In fact, the 2003 decision has now been implemented by a formal amendment to the TRIPS Agreement, namely Article 31bis [emphasis added].<sup>54</sup>

<sup>51</sup> *US – Measures Concerning the Importation, Marketing & Sale of Tuna & Tuna Products*, WT/DS381/R (15 September 2011) at [7.621].

<sup>52</sup> Guidelines for implementation of WHO Framework Convention on Tobacco Control, Art 11, para 46.

<sup>53</sup> Mitchell and Voon, n 3, p 122.

<sup>54</sup> Gervais, n 2, para 52.

Their critique is again not, I submit, based on a fair and accurate depiction of my report. Having said that, I do disagree with Mitchell/Voon, in that as a formal matter I do not consider the Doha Declaration is an “authoritative interpretation” of TRIPS under Art IX:2, nor the practical equivalent of a deletion of Art 20.

First, as a formal matter Art IX:2 prescribes a procedure which has not been followed, in particular a request for such an interpretation.<sup>55</sup> Second, the Doha Declaration was adopted to address the access to medicines issue. That being said, I agree – as I state clearly in my 2010 report – that the Declaration and Art 8 would *inform* a dispute-settlement proceeding. In the words of the panel in *Canada – Pharmaceuticals*, they “must obviously be borne in mind”.<sup>56</sup> As a legal matter, however, I suggest that that is not the same as an authoritative interpretation under the Vienna Convention or Art IX:2. Those are not identical legal standards and conflating them seems to me to be incorrect.

The Declaration is not a Decision. The Appellate Body noted (rightly in my opinion) that a ministerial decision couched in legal/operational terms is applicable as a “subsequent agreement between the parties”. This concerned the notion of “reasonable interval” in Art 2.12 of the TBT Agreement and its interpretation in light of the Doha Ministerial Decision on Implementation-Related Issues and Concerns, which essentially defines the reasonable interval as “‘normally a period of not less than 6 months, except when this would be ineffective in fulfilling the legitimate objectives pursued’ by a technical regulation”.<sup>57</sup> A Declaration, often adopted with a view to launching a specific negotiation (the result of which in this case was the adoption of the so-called “paragraph 6” system) does not seem to have the same legal status though – as I say a number of times in my 2010 report – it would inform the dispute-settlement process in the case of a relevant public health measure.

One way to read the Mitchell/Voon view is that, by invoking public health, a member places an effectively insurmountable burden on the complaining member under TRIPS, Art 20 (as interpreted under Doha) and the last phrase of TRIPS, Art 8. Let us take it to its logical conclusion. The most quoted sentence of the Doha Declaration is probably: “We [Ministers] agree that the TRIPS Agreement does not and should not prevent Members from taking measures to protect public health” (para 4). If taken literally, and also out of its access to medicines context, a WTO member could invoke any public health concern as a justification for any measure without the need to show any evidence or otherwise support the claim. A simple assertion would erase all TRIPS obligations for any measure connected with the public health realm. I understand that this is a normatively powerful driver that many TRIPS critiques embrace. My report and this response try to steer clear of normative drivers, however. My suggestion is that, while a panel would obviously consider the nature and seriousness of the matter, it would not be willing to effectively rewrite TRIPS.<sup>58</sup>

I prefer to read Mitchell/Voon a different way, namely as *not* suggesting that the fact that the public health protection is (admittedly) a legitimate policy objective from the perspective of the WTO (as reflected in TRIPS, Arts 7 and 8 and the Doha Declaration) means that adopting plain packaging to achieve that objective is per se justifiable under TRIPS without any need to provide expert evidence concerning the effectiveness of the measure. Indeed, if that were the case I must ask why, *after* adopting the Doha Declaration, WTO Members negotiated for approximately two years to adopt the so-called “paragraph 6 system”, and later its Art 31bis incarnation, the purpose of which is to impose limits on the use of compulsory licences for pharmaceutical patents destined for exports to least-developed countries? After all, if read literally, any WTO Member only had to invoke public health and the “does not and should not prevent” language to circumvent TRIPS and in particular Art 31(f), which provides that “any such use shall be authorized predominantly for the supply of the domestic market of the Member authorizing such use”.

<sup>55</sup> See *Request for an Authoritative Interpretation Pursuant to Article IX:2 of the Marrakesh Agreement Establishing The World Trade Organization*, WT/GC/W/133 (25 January 1999).

<sup>56</sup> *Canada – Patent Protection of Pharmaceutical Products*, WT/DS114/R (17 March 2000) at [7.26].

<sup>57</sup> *US – Measures Affecting the Production & Sale of Clove Cigarettes*, WT/DS406/AB/R (4 April 2012) at [266].

<sup>58</sup> And in this would remain consistent with *Japan – Taxes on Alcoholic Beverages II*, WT/DS8/AB/R (4 October 1996) p 13.

Additionally, the 2001 Declaration was specifically about what the paragraph 6 system was meant to target, namely pharmaceutical products to treat diseases affecting least-developed countries. WTO Members chose to use the Declaration as a basis to negotiate the paragraph 6 system. It was not related to plain packaging discussions. Again, and this may have been misunderstood, my point is not normative in nature. My report is technical. It discusses applicable rules as a matter of interpretation. My conclusion is that, rightly or wrongly, WTO members did not intend to suspend all TRIPS obligations whenever public health was involved as the basis for a measure. One may certainly enter the normative realm here and argue that they should have done so, but I simply do not think that they did.

There is yet another way of reading the Mitchell/Voon critique on this point, namely that a dispute-settlement panel would agree that Art 20 and its justification test apply, but would use the Declaration effectively to *remove any actual burden* on Australia of establishing such justification. Again, because this reasoning (a) might apply to trademarks on other products that may cause health issues with continued use (eg alcohol, sugar, etc); (b) might apply across the TRIPS Agreement (eg to the application of the necessity test); and (c) seems to me to be inconsistent with the panel and Appellate Body reports cited in the discussion of the burden of proof above, I do not agree with the assertion that a panel would proceed in this fashion.

## 8. FINAL THOUGHTS

To summarise, I state *clearly* in my 2010 report that justification is a two-pronged test: first, a measure must be adopted in a valid policy area. Second, there must be evidence and/or a valid scientific basis to support a claim of material contribution to the stated objective.

It is my contention that neither the FCTC guidelines nor the Doha Declaration have removed the need for evidence to be adduced by a party asserting a justification under TRIPS. I hasten to add, however, that the timing of a possible WTO case could be crucial. If a Member challenged a plain packaging measure adopted as the first of its kind anywhere in the world (eg, the TPPA, which has been challenged, as of this writing, by the Dominican Republic, Honduras and Ukraine), the WTO Member who had adopted the measure would presumably be relying on *theoretical* studies and WHO guidelines suggesting that plain packaging may reduce smoking. A WTO panel, given the nature of the (public health) objective, *might* accept that theoretical studies are divided on this issue, assuming that there is a good amount of credible evidence on both sides, a matter on which I do not comment either in my 2010 report or here. A panel *might* also give the benefit of the doubt to the WTO Member concerned. As noted in *Beef/Hormones*, where consequences could be dramatic, immediate and severe, and absent sufficient empirical data, a minority scientific view (in that case, with regard to food safety issues) may be considered.<sup>59</sup> However, a later case (or a second case against the same Member at a later date) in the face of *actual empirical* evidence on the effectiveness of a measure can be expected to be looked at differently.

If plain packaging were indeed highly successful in meeting its public policy objectives, there would presumably be a push for its adoption by others. Consider by comparison the detailed historical evidence in *Clove Cigarettes* (discussed above). Conversely, if plain packaging failed to further reduce smoking after a fair amount of time, justification would be a harder case to make. Naturally, this would depend in part on how tainted by extrinsic factors the dataset was. For example, if a Member were to adopt simultaneously a *series of parallel measures* to further reduce smoking (eg tax increases for tobacco products and plain packaging)<sup>60</sup> and a reduction was observed, it would be more difficult to parse causation. The matter of proving justification would thus take on a more complex hue.

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<sup>59</sup> *European Communities – Measures Concerning Meat & Meat Products (Hormones)*, WT/DS26/AB/R, WT/DS48/AB/R (16 January 1998) at [27], [110].

<sup>60</sup> For example, in Australia, in addition to the plain packaging requirements under the TPPA, graphic health warnings on tobacco products have been updated and expanded to cover 75% of the front of packs, under the Competition and Consumer (Tobacco) Information Standard 2011, replacing the previous 30% requirement.

At a more fundamental level, this case is about the interface between trade rules and other public policy objectives. The protection of intellectual property and the integrity of the world trading system are important, as is public health. Proper ways of balancing considerations on all sides must be found, and a serious, respectful dialogue would likely illuminate the issues better than more polemic debate. What is decided here (for plain packaging) will likely influence a host of other measures taken in other fields. The WTO dispute-settlement system has developed a jurisprudence of weighing scientific evidence in an appropriate fashion to allow public policy measures to be assessed. Saying that this approach should apply here does not strike me as a radical proposition.

**Response from Professor Davison**

Professor Gervais has written a response to a chapter by me in "Public Health and Plain Packaging of Cigarettes: Legal Issues". My chapter referred to some of the views he expressed in a report written by him and published by Japan Tobacco International. I described him in my chapter as a "tobacco advocate". He has objected to my use of that term and also expressed other concerns about my commentary on his report.

Professor Gervais is a distinguished scholar and there is no doubt that his views about the legal implications of plain packaging are his own, independently derived legal opinion. I unreservedly apologise to him for any suggestion to the contrary. In order not to detract from that apology, I will not respond to his substantive legal arguments here.

*Mark Davison*  
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