



# The Slippery Slope & Bird & Bird

Trademark law & packaging regulations

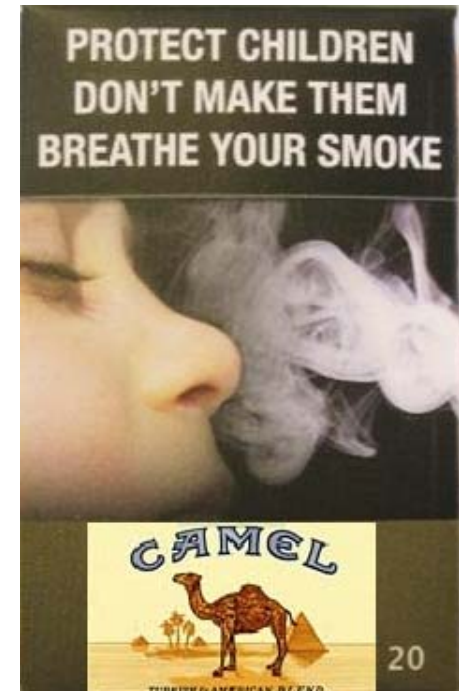
Wouter Pors

# The available space on the package

- **The package is the manufacturer's property**
  - Word trademark: name of manufacturer and product
  - Device trademark: logo, lay-out, etc
    - Trademark, copyright
  - Design: appearance and function
    - Design right, copyright, patent
- **Regulated information**
  - Product information
  - Tax information (banderol)
  - Health warnings

# Proposed Tobacco Products Directive

- **Front and back surface shall for 75% consist of**
  - A combined health warning of
  - Text and a photograph,
  - Positioned at the top edge of the packet
- **50% of lateral sides will be text health warnings**
- **Additional measures:**
  - Standardized cigarette pack size and cuboid form
  - Only flip-top lid packets hinged at the back of the pack
  - Prohibition of product related information on the packet
  - Prohibition of innovative features such as flavours in filters
  - Prohibition of characterising flavours and certain additives
  - Slim cigarettes are deemed misleading





**WHAT COMPANY  
WOULD STAND FOR THIS?**



The Tobacco Plain Packaging Bill could destroy brands that are worth millions, if not billions, of dollars.

No company would stand for having its brands taken away and we're no different. And it may infringe international trademark and intellectual property law.

The Government could also end up spending millions in legal fees defending an idea unproven anywhere in the world.

**Don't let the taxpayer  
foot the bill for a bad Bill**  
[PlainPack.com](http://PlainPack.com)



# National and European Union law

- Community Trademark Regulation
- Trademark Directive
- Benelux Convention on Intellectual Property
  - Court of Justice of the EU: functions of a trademark
    - The exclusive right under was conferred in order to enable the trade mark proprietor to protect his specific interests as proprietor, **that is, to ensure that the trade mark can fulfill its functions.**
    - These functions include not only the essential function of the trade mark, which is to guarantee to consumers the origin of the goods or services, but also its other functions, in particular that of guaranteeing the quality of the goods or services in question and those of **communication, investment or advertising.**
- The European Parliament should respect its own laws

# Applying EU law

- **Recital 1 Enforcement Directive**
  - The achievement of the Internal Market entails eliminating restrictions on freedom of movement and distortions of competition, while creating an environment conducive to innovation and investment.
- **Careful balance between free movement of goods and protection of intellectual property**
  - Case law of the Court of Justice
    - Specific subject of protection
    - Competition
    - Functions of the trademark
  - National legislation
    - Diversity would block free movement of goods
    - Cigarettes could not enter plain packaging country
    - Costs of repackaging (cf medicinal products)

# Encroachment upon fundamental rights

- **Protection of property rights**
  - Art. 1 First Protocol to the European Convention on Human Rights
  - Art. 17 of the EU Charter of Fundamental Rights
    - Section 2: Intellectual property shall be protected
  - Art. 14 Dutch Constitution
    - Not enforceable in this case, but relevant for legislator
- Case law: European Court of Human Rights
  - Intellectual property rights are property rights
  - Application also enjoys protection
  - ECHR *Anheuser-Busch v Portugal* (2007) 45 EHRR 36, para. 72 and 78
  - Business goodwill also enjoys protection
  - ECHR *Van Marle v Netherlands* (1986) 8 EHRR 483
- JURI commission: no justification for 75% rule

# Court of Justice

- **ECJ 10-12-2002, C-491/01, *UK vs Bat (Mild Seven)***
  - Current Tobacco Products Directive
  - Article 295 EC, protection of system of property ownership
    - Requiring an increase in the percentage of the surface area on certain sides of the unit packet of tobacco products to be given over to those indications and warnings, **in a proportion which leaves sufficient space** for the manufacturers of those products to be able to affix other material, in particular concerning their trade marks, the Community legislature has not overstepped the bounds of the discretion which it enjoys in this area.
  - Advocate-General, para 266
    - It is only **if normal usage is no longer possible** as a result of provisions of public law that a situation can arise in which the substance of the right is affected by reason of those provisions



# International law

- **Paris Convention for the Protection of Industrial Property**
  - All EU Member States are bound as parties
    - Art. 7: nature of goods no obstacle for registration
    - What if nature is obstacle for use? Convention moot?
- **World Trade Organization**
  - Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs)
  - Agreement on Technical Barriers to Trade (TBT)
    - EU and all its Member States are WTO members

# TRIPs Agreement

- **Art. 17:**
  - members may provide **limited** exceptions to the rights conferred by a trademark
  - provided that such exceptions take account of the legitimate interests of the owner
    - **WTO panel: the addition of the word “limited” emphasizes that the exception must be narrow and permit only a small diminution of rights**
- **Art. 20**
  - Use shall not be unjustifiably encumbered by special requirements, such as (...) use in a special form or use in a manner detrimental to its capability to distinguish

# TBT Agreement

- **Annex 1, terms and definitions**
  - Technical regulation
    - Document which lays down product characteristics (...) including the applicable administrative provisions, with which compliance is mandatory. It may also include or deal exclusively with terminology, symbols, packaging, marking or labelling requirements as they apply to a product
- **Art. 2.2**
  - Members shall ensure that technical regulations are not prepared, adopted or applied with a view to or with the effect of creating unnecessary obstacles to international trade.



Thank you **& Bird & Bird**

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