

## Plain Packaging Questionnaire

### FRANCE

#### Introduction

- 1) In view of the Australian plain packaging legislation and similar legislative initiatives in a number of other jurisdictions, and following the workshop “Plain Packaging – a slippery slope?” held in Seoul during the 2012 AIPPI Congress, AIPPI intends to study the legal basis for adopting plain packaging. At the present time, the issue arises in relation to tobacco products. However, there has also been public debate concerning similar packaging restrictions for other legal consumer products, such as foods deemed to be unhealthy and alcohol. In particular, AIPPI seeks to study the legal basis for restricting the use of trademarks in relation to particular classes of products, in light of public interest considerations.
- 2) In the context of tobacco products, the term “plain packaging” (sometimes referred to as “standardised packaging”) refers in general to:
  - prescribed shape, size and colour of packaging;
  - prohibition on all branding or promotional elements (such as trademarks, logos and product claims and other visual design elements); and
  - prescribed display of the brand name, including as to typeface, font size, colour and position.Prescribed health warnings and other regulatory requirements are still required to appear on packaging.

#### Previous work of AIPPI and other selected sources

Please refer to the following AIPPI documents:

- PUBLIC CONSULTATION ON THE POSSIBLE REVISION OF THE TOBACCO PRODUCTS DIRECTIVE 2001/37/EC by AIPPI dated December 17, 2010 (see <https://www.aippi.org/download/committees/212/Report212AIPPI+submission+Tobacco+Products+Directive+2001-37+EC+Decemeber+17++2010English.pdf>).
- Seoul Congress 2012: Workshop VI, Plain packaging – a slippery slope? [https://www.aippi.org/download/seoul12/WS/Description\\_WS\\_VI.pdf](https://www.aippi.org/download/seoul12/WS/Description_WS_VI.pdf) ; see also <https://www.aippi.org/?sel=meetings&cf=seoul2012&view1=Workshops> with slides of presentations by Tania Voon, Carla Michelotti and Young Joo Song).

Other sources:

- **Australia:** Tobacco Plain Packaging Act 2011 see: [http://www.austlii.edu.au/au/legis/cth/num\\_act/tpa2011180/](http://www.austlii.edu.au/au/legis/cth/num_act/tpa2011180/), Tobacco Plain Packaging Regulations 2011 see: [http://www.austlii.edu.au/au/legis/cth/num\\_reg/tppr2011n263o2011372/](http://www.austlii.edu.au/au/legis/cth/num_reg/tppr2011n263o2011372/) , Trade Marks

Amendment (Tobacco Plain Packaging) Act 2011 see: [http://www.austlii.edu.au/cgi-bin/sinodisp/au/legis/cth/num\\_act/tmappa2011360/s1.html?stem=0&synonyms=0&query=Trade%20Marks%20Amendment%20\(tobacco%20plain%20packaging\)%20act%202011](http://www.austlii.edu.au/cgi-bin/sinodisp/au/legis/cth/num_act/tmappa2011360/s1.html?stem=0&synonyms=0&query=Trade%20Marks%20Amendment%20(tobacco%20plain%20packaging)%20act%202011)

- The **WHO** Framework Convention on Tobacco Control (WHO FCTC) adopted by 172 States or Organisations such as UE (2003) ( see in particular Articles 11 and 13) see: <http://www.who.int/fctc/en/>
- Proposal for a DIRECTIVE OF THE **EUROPEAN** PARLIAMENT AND OF THE COUNCIL on the approximation of the laws, regulations and administrative provisions of the Member States concerning the manufacture, presentation and sale of tobacco and related products, dated December 19, 2012 see [http://ec.europa.eu/health/tobacco/docs/com\\_2012\\_788\\_en.pdf](http://ec.europa.eu/health/tobacco/docs/com_2012_788_en.pdf)

## Discussion

- 1) This questionnaire considers the conflict between rights deriving from trademark registration and/or use, and government regulation said to be in the public interest. An example is found in section 28 of the Australian Tobacco Plain Packaging Act 2011, entitled the "Effect on the Trade Marks Act 1995 on non-use of trade mark as a result of this Act". It is evident that the Australian legislature had to take a number of measures to attempt to reconcile domestic trademark rights with the prohibitions on trademark use in its plain packaging regime.
- 2) AIPPI acknowledges that there is a public interest in promoting public health measures. This questionnaire considers legal frameworks in national systems that limit or prohibit trademark use in particular product classes based on stated public interest considerations, and what rights affected trademark rights holders may have in those circumstances.
- 3) TRIPS Articles 15 to 21 relate to trademarks. Article 15 provides that signs capable of distinguishing goods or services of one undertaking from those of another undertaking shall be capable of constituting a trademark. When a sign is not inherently capable of distinguishing the relevant goods or services, registrability may be dependant on distinctiveness acquired through use. Importantly, Article 15(4) provides that the nature of goods or services to which a trademark is to be applied shall in no case form an obstacle to registration of the trademark.
- 4) Article 16 describes the rights conferred by trademark registration, and in particular the circumstances in which the owner of a registered trademark may prevent third parties from using the same or similar mark for goods or services the same or similar to the goods or services in respect of which the trademark is registered. Article 17 permits "limited exceptions" to the rights conferred by a trademark provided that the legitimate interests of the owner and third parties are taken into account. Article 18 provides that a trademark may be renewed indefinitely.
- 5) Articles 20 and 21 prohibit certain restrictions on trademark rights. Article 20 provides that the use of a trademark in the course of trade shall not be unjustifiably encumbered by special requirements. Examples of "special requirements" include use in a special form or use in a manner detrimental to its capability to distinguish the relevant goods or services. Article 21 expressly prohibits compulsory licensing of trade marks.

- 6) It is apparent from the TRIPS provisions relating to trademarks that use is a central concept. Article 15 recognises that in order to be capable of distinguishing goods or services a trademark must be used. The rights conferred under Article 16 recognise the negative effects on trademark owners' rights where the same or a similar sign is used in the course of trade by a third party. The prohibition on unjustifiable encumbrances in Article 20 is premised on use.
- 7) It is a curious feature of the Australian Tobacco Plain Packaging Act 2011 that trademark applications may be made and trademark registrations may be retained notwithstanding that most registered trademarks in respect of tobacco products may not be used for their intended purposes, that is on packaging for tobacco products or on tobacco products themselves. Notwithstanding this prohibition, an applicant for a relevant trademark is taken to intend to use the trademark in Australia for tobacco products, and failure to use a relevant trademark will not found an action for removal for non-use.
- 8) By contrast to Article 21, TRIPS expressly permits compulsory licensing in relation to patents. Article 30 (in relation to patents) corresponds to Article 17 (in relation to trademarks) in permitting "limited exceptions" to patent rights, taking into account the legitimate interests of the patent holder and third parties. However, Article 31 expressly contemplates use of the subject matter of a patent without authorisation of the patent holder, including use by governments or their authorised third parties. Thus, it appears that public interest considerations are relevant to whether the rights of a patent owner may be diminished. However, it is important to note that in those circumstances the patent holder is not denied the ability to continue to exploit their patent rights. Further, the patent holder must be paid "adequate remuneration" which takes into account the economic value of the government authorised use (Article 31(g)).
- 9) Unlike in relation to patents, TRIPS does not expressly mandate any limitation on registered trademark rights based on public interest considerations. Article 17 gives an example of a "limited exception" to trademark rights, being fair use of descriptive terms. This suggests Article 17 contemplates exceptions that relate to the balancing of interests between private parties. Similarly, the Paris Convention (which is expressly incorporated by reference in TRIPS), does not provide for restrictions on the use of trademarks that have been rightfully registered based on public interest considerations.
- 10) Thus, the questions below explore the relationship between restrictions based on stated public interest considerations and limitations on the use of trademarks, and the rights of affected trademark rights holders.

## FRANCE

### Questions

*Please answer the following questions. For each of questions 1) – 10) below, please answer in relation to your country's national laws including any constitutional law.*

- 1) If the general conditions of registrability are met, does the product or service in relation to which a trade mark is used or proposed to be used have any affect on the ability to:
  - (a) register the trademark; and

There is no provision under French intellectual property law, which would provide restriction to the registration of a trademark if the general criteria of registrability are otherwise met, based on the nature of the product or service designated by such trademark.

However, a specific type of restriction has been created by case law, which may prevent a trademark from **remaining registered** by reason of the nature of the product or service designated by such trademark.

The problem arises from the fact that the French Public Health Code restricts indirect advertising in favor of tobacco products or alcoholic beverages and that **advertising of non-tobacco/alcohol products or services bearing a trademark reminiscent of a tobacco/alcohol product, is regarded as indirect advertising**. This restriction applies even if the non-tobacco/alcohol operator was present on the market before the tobacco/alcohol product. The only exception is when the non-tobacco/alcohol products or services were put on the market before 1990 (on the further condition that their operator has no relationship with any tobacco/alcohol enterprise).

A consequence is that when a trademark is registered for tobacco/alcohol products, **any potential owner of an earlier sufficiently similar trademark registered as of 1990 for non-tobacco/alcohol products**, may find himself in the situation of **no longer being able to freely promote his trademarked products or services**.

French case law considers that in such a situation, the owner of the earlier non-tobacco/alcohol trademark is entitled to **claim for invalidity** of the later tobacco/alcohol trademark. Since trademark law did not provide for a ground of invalidity which exactly fitted such type of situation, judges linked it to the bad faith ground of invalidity: **the owner of the tobacco/alcohol trademark is regarded as having registered his trademark in bad faith because he created in the earlier non-tobacco/alcohol trademark, a flaw which did not exist before**.

- (b) use it once so registered?

As mentioned in 1) (a) above, the French Public Health Code restricts direct and indirect advertising in favor of tobacco products and alcoholic beverages.

For **tobacco products**, there is an almost absolute **ban on direct and indirect advertising** as well as on sponsorship.

For **alcoholic beverages**, there are **advertising restrictions** as regards the media where advertising is authorized and as regards the contents of the ads (which must be limited to objective characteristics).

- 2) What rights are derived from trademark registration?

Article L 713-1 of the Intellectual Property Code provides that trademark registration offers the owner a **property right** on such trademark for the designated products and services.

The subsequent articles detail the acts which the trademark owner is **entitled to prohibit** if they are done without his consent, i.e.: use of an identical sign for identical products or services; potentially confusing use of an identical sign for similar products or services; potentially confusing use of a similar sign for identical products or services; deletion of a regularly affixed trademark; if the trademark enjoys a reputation, use of an identical or similar sign with respect to non-similar products or services, where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trademark.

The property right derived from trademark registration is therefore generally regarded as a **negative right** to prevent third parties from using the trademark, rather than a positive right to use such trademark, especially as there is no need to register a trademark to be able to use it.

This view has been well expressed by Advocate-General Geelhoed in the ECJ *BAT* case (AG Opinion, 10 September 2002, C-491/01): "*The essential substance of a trademark right does not consist in an entitlement as against the authorities to use a trademark unimpeded by provisions of public law. On the contrary, a trademark right is essentially a right enforceable against other individuals if they infringe the use made by the holder*".

- 3) What rights exist in relation to a sign used as a trademark but not registered? What is the basis of any such right?

As a principle, trademark right can only be acquired **through registration** (IPC L712-1).

There are however a number of instances where a sign which is used as a trademark but is not registered, may give rise to a certain degree of protection:

- **Unregistered well-known marks** in the sense in which the words 'well known' are used in Article 6 bis of the Paris Convention are protected as if they were registered trademarks (basis is trademark law);

- The user of an unregistered trademark may seek cancellation or property transfer of a trademark which has been **registered by a bad faith operator** who had knowledge of such use and had himself no legitimate objective in filing the trademark. He may also oppose use of such trademark (basis may be trademark law or general liability law);

- Finally, if the sign is also covered by a **copyright** or is also used as a **trade name** (no registration required), the user may oppose registration or use of such sign by a third party, based on these rights.

4) Is it possible to:

- (a) obtain; or
- (b) maintain;

registration for a trademark that is not:

- (i) used; or
- (ii) intended to be used?

Under French law, for a trademark to be **accepted for registration**, there is no requirement of use or intention to use.

A trade mark is **liable to revocation** if it has not been put to **genuine use** within a continuous period of five years, **unless there are proper reasons for non-use**. Such revocation is **not automatic** and may only take place through a court judgment, at the request of a person having an interest for such cancellation.

5) If yes to 4) above, are the rights derived from such trademark registration the same or different to registered trademarks that are used?

N.A.

6) Are rights in unregistered trademarks dependent on use? Whether yes or no, please explain the basis for your answer.

The question is only relevant with regard to **unregistered well-known marks** in the sense in which the words 'well known' are used in Article 6 bis of the Paris Convention (see 3. above). The answer is unclear.

Article 6 bis of the Paris Convention refers to trademarks which are considered to be well

known in the country where the rights are claimed "*as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods*".

This provision makes it clear that in France, rights in such a trademark would be dependent on the trademark being well-known in France, but is not explicit as to whether use should also be in France or could be abroad.

None of the relevant provisions in other French or international texts are of any help on this issue and there is no case law.

7) Is there any basis to restrict the use of:

- (a) a registered trademark; or
- (b) a sign used as a trademark?

If yes, please explain any relevant laws or precedents.

There is **no specific provision** permitting restriction of the use of a trademark right.

However, it is a well-established principle that **property right** may be made subject to restrictions which correspond to **objectives of general interest**.

**This has been held to apply to intellectual property rights** notably by the French Constitutional court (8 January 1991, No. 90-283, *Loi Evin*; 15 January 1992, No., *Law on comparative advertising*), the European Court of Justice (10 December 2002, C-491/01, *BAT*) and the European Court of Human Rights (Grand Chamber, 11 January 2007, No. 73049/01, *Anheuser-Busch*).

More generally, it is a well-established principle that **any right**, even if it is a **fundamental constitutional right** such as, for instance, **freedom of speech** or **freedom to trade**, may be made subject to restrictions if such restrictions are **justified by sufficiently important public interest considerations**.

8) Is there any basis for the state or any state-controlled body to expropriate?

- (a) a registered trademark;
- (b) a sign used as a trademark; or
- (c) the rights deriving from either (a) or (b)?

If yes, please explain any relevant laws or precedents.

There is **no specific provision** permitting expropriation of trademark rights.

However, **the right for the State to expropriate is specified in the French constitution:** "*Since property is an inviolable and sacred right, no one shall be deprived thereof except*

where public necessity, legally determined, shall clearly demand it, and then only on condition that the owner shall have been previously and equitably indemnified" (Article 17 Declaration of the Rights of Man and of the Citizen).

This provision was referred to in the French Constitutional court's case law mentioned in 7) above.

- 9) If yes to 7) or 8) above, do public interest considerations provide any basis for such restriction or expropriation ("Restriction/Expropriation")? If yes, please explain any applicable public interest considerations, and any relevant laws or precedents.

Yes. As explained in 7) and 8) above, public interest considerations provide a basis for restriction or expropriation.

It has been held that **protection of public health**, which is considered as a principle of constitutional value, provides a legitimate basis to restrict use of a trademark right (see French Constitutional court, 8 January 1991, No. 90-283, *Loi Evin* ; ECJ, 10 December 2002, C-491/01, *BAT*).

The French Civil Supreme Court had ruled that **protection of appellations of origin**, which is public order matter, may also provide a legitimate basis to justify cancellation of trademarks violating legislation on appellations of origin, **even though such trademarks had been registered prior to the enactment of such legislation** (Com. 1 December 1987, No. 86-11328, *Romanée-Conti*). However, the Supreme Court seems to have **reversed its case law** in a later judgment (Com. 18 février 2004, No. 02-10.576, *Bain de Champagne*).

- 10) If yes to 7) or 8) above, are trademarks different from other intellectual property rights in this regard?

No, except that the situation of patents is slightly different, in there being specific provisions relating to the **expropriation of patents for the needs of national defense**.

- 11) If yes to 7) or 8) above, are any treaty or other international obligations relied on to provide a basis for such Restriction/Expropriation (as applicable)? If yes, please explain the international obligations, and how those obligations are reflected in or received into your country's law.

As explained in 7) to 9) above, public interest considerations, such as protection of public health, may provide a basis for restriction or expropriation. These obligations may be found in French law, especially in the French Constitution, but **they may also be found in various international instruments**, such as the European Convention on Human Rights, the Universal Declaration on Human Rights, etc....

- 12) Is your country a signatory to the WHO Framework Convention on Tobacco Control ("FCTC")? If yes, has your country ratified the FCTC?



Yes. France signed the FCTC on June 16, 2003 and ratified it on October 19, 2004.

- 13) If yes to 12) above, has the FCTC been implemented in your country? If yes, please explain its legal impact, if any, including by reference to the Guidelines for Implementation of Articles 11 and 13 of the FCTC.
- 14) Is the FCTC received directly into your country's domestic law or is domestic legislation required to give it effect in your country's law?

According to Article 55 of the French Constitution, once ratified and published, an international treaty is received directly into France's domestic law where it takes precedence over French ordinary laws (but not over the French constitution).

Since the FCTC was ratified and duly published in France (by governmental decree No. 2005-293), the FTCT is applicable in France.

The FCTC's impact on French law seems to have been relatively limited, for two reasons:

- Many FCTC recommendations already existed under French law;
- French administrative authorities have been reported as allegedly lacking awareness regarding the contents of the FCTC and lacking the will and means to implement it thoroughly (cf. Yves Bur (Member of Parliament), Report on propositions for a new tobacco control policy, February 2012).

The only measure which is expressly related to the FCTC seems to be the adoption of a Ministerial Order dated April 15, 2010, that provide for the placement of realistic pictures on cigarette packs to deter smokers from buying and consuming tobacco products.

- 15) If there is presently a legal basis in your country for permitting any Restriction/Expropriation, please answer the following questions in relation to both registered trademarks and unregistered trademarks (if your country recognizes/protects the latter).
- (a) What are the parameters for such Restriction/Expropriation? For example, the nature of any stated public interest considerations, the proportionality of the proposed measure to the Restriction/Exploration.

Restriction/Expropriation on rights which may be relevant with regard to use of a trademark, should be justified by a **sufficiently important public interest**. To assess whether such interest is sufficiently important, judges generally apply a **balance of interests test**, taking into account the degree of importance of the right at stake, the degree of importance of the restriction and whether such restriction does not

constitute, with regard to the aim pursued, disproportionate and unreasonable interference undermining the very substance of that right.

Regarding the **French rules restricting direct and indirect advertising for tobacco or alcoholic beverages** (which restricts trademark use), it has been ruled that:

- **They do not violate property right** since (i) public health protection is a legitimate reason to restrict property right; (ii) the contested rules do not constitute expropriation as there is no transfer of ownership and (iii) the advertising restriction is not absolute as advertising remains possible in tobacco shops.  
(French Constitutional court, 8 January 1991, No. 90-283, *Loi Evin*)
- **They do not violate freedom of trade** since (i) public health protection is a legitimate reason to restrict freedom of trade; (ii) the contested rules do not prohibit the manufacturing and sale of tobacco products and (iii) they do not prevent consumer information as such information can be provided in tobacco shops.  
(French Constitutional court, 8 January 1991, No. 90-283, *Loi Evin*)
- **They do not violate freedom of speech** since (i) public health protection is a legitimate reason to restrict freedom of speech; (ii) the contested rules are relevant as regards the necessity to curb tobacco consumption and (iii) they are not disproportionate with regard to such purpose.  
(European Court of Human Rights, 5 March 2009, No. 26935/05, *SCPE*  
French Civil Supreme Court, 5 April 2011, n°10-87435, *BAT*)

Regarding the **European Directive rules restricting the space allocated to the owner to display its trademark on cigarette packs**, it has been ruled that:

- The restrictions on the trade mark right which may be caused by the Directive correspond to **objectives of general interest** pursued by the Community and **do not constitute a disproportionate and intolerable interference, impairing the very substance of that right**.  
(ECJ, 10 December 2002, C-491/01, *BAT*)

- (b) Is it relevant that such Restriction/Expropriation only applies in relation to a particular class of products, eg tobacco products, foods deemed to be unhealthy or alcohol?

This could be relevant if this could be held as amounting to unjustified **discrimination**.

- (c) What are the financial consequences for the state and the trademark rights holder respectively? For example, is a rights holder entitled to or eligible for any compensation in respect of the Restriction/Expropriation? If yes, what type of

rights holders are so entitled or eligible? If not, why is no compensation available?

**Expropriation:** as mentioned in 8) above, the French constitution provides that expropriation may arise only where public necessity demands it and **then only on condition that the owner shall have been previously and equitably indemnified** (article 17 Rights of Man).

However, well-established French case law considers that expropriation supposes that the owner loses **all right** over the property which is **transferred** to a new owner. Otherwise it is only a restriction on property and Article 17 does not apply, unless such restriction is **so serious that it impairs the very substance of property right**.

In all the cases mentioned in 15) above, the courts have found that there was no expropriation of trademark rights, but a mere restriction on property right.

**Restriction on property right:** in case of a mere restriction, the owner may only be entitled to compensation on the ground of **breach of equality with regard to public burdens**. Such compensation is **neither automatic, nor made "previously"** (French Constitutional court, 13 December 1985, No. 85-198, *Loi on audiovisual communication*).

- (d) If compensation is available, how is it calculated?

It has been ruled that the **principle of equality with regard to public burdens** implies that **all the prejudice suffered** should be taken into account to assess the amount of compensation due.

(French Constitutional court, 13 December 1985, No. 85-198, *Loi on audiovisual communication*)

- (e) Does a trademark rights holder affected by Restriction/Expropriation have any other claims or remedies against the state? If yes, please explain the basis and nature of any claims or remedies.

No.

- (f) In the event of Restriction/Expropriation, could a trademark remain registered?

There seems to be no reason why not.

- (g) If yes, what is the consequence of any Restriction/Expropriation on a well known trademark that was registered prior to the Restriction/Expropriation?

**N.A.**

- 16) If there is presently no legal framework in your country permitting Restriction/Expropriation, please answer the following questions in relation to both registered trademarks and unregistered trademarks (if your country recognizes/protects the latter).
- (a) What legislative changes would be necessary in your country to implement a plain packaging regime for a specific class or classes of products such as those previously mentioned? For example, amendments to existing domestic trademark legislation, changes to your country's constitution, multilateral or supranational treaty obligations.
  - (b) Could a plain packaging regime be implemented in your country without providing compensation to affected trademark rights holders? If no, what type of rights holders would be entitled to or eligible for compensation? If yes, why would no compensation be payable?
  - (c) Would a trademark rights holder affected by Restriction/Expropriation have any other claims or remedies against the state? If yes, please explain the basis and nature of any claims or remedies.

N.A.