

Plain Packaging Questionnaire

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 ; 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/, Tobacco Plain Packaging Regulations 2011 see: 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/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

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.

Questions

LATVIA

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

In accordance with Article 6.1.3. of “Law on Trade marks and Indication of Geographical Origin” (here and further “the Law”) the following signs may not be registered as trade marks (if they have been registered, such registration may be declared invalid pursuant to the provisions of this Law):

- those which consist solely of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose (functional task), value, geographical origin, or the time of production of the goods or of providing the services, or other characteristics of the goods or services;
- those which consist solely of signs or indications (general signs) which have become customary in the current language or in fair and established practices of the trade to designate the goods or services applied for;
- those which consist solely of a shape which is directly determined by the kind of goods (the shape results directly from the nature of the goods themselves), or which is necessary to obtain a particular technical result, or which gives substantial value to the goods;
- those which are contrary to public order or to socially accepted principles of morality;
- those which may deceive consumers regarding the nature, quality or geographical origin, or the like, of the goods or services.

- (b) use it once so registered?

No.

- 2) What rights are derived from trademark registration?

Article 4.11. of the Law prescribes that the right to a trade mark, derived from its registration or from the filing of an application thereof, shall confer the same legal status as the rights to a moveable property within the meaning of the Civil Law, but it shall not be regarded as an object of property claims. This right may be transferred to other persons (successors in title) and may be inherited.

The registration of a trade mark confers upon its proprietor exclusive rights (Art. 4 (5) of the Law) whose scope is further regulated in the subsequent provisions of that Article.

Article 4.6. of the Law provides that the person in whose name the trade mark has been registered shall have exclusive rights to prohibit other persons from using in commercial activities the following signs:

- 1) any sign which is identical to the trade mark in relation to goods or services which are identical to those for which the trade mark is registered; and
- 2) any sign where, because of its identity to, or similarity to, the trade mark and the identity or similarity of the goods or services covered by the trade mark and the sign, there exists a likelihood of confusion or a likelihood of association between the sign and the trade mark on behalf of the relevant consumers.

Likewise, Art. 4 (8) provides that the following actions may also be prohibited:

- 1) use (affixing, attachment) of the said signs on the goods or on the packaging thereof;
- 2) offering the goods for sale, or putting them on the market or stocking them for these purposes under the said signs;
- 3) providing services or offering them under the said signs;
- 4) importing or exporting the goods under the said signs; and
- 5) using the said signs on business documents and in advertising.

The owner of a trade mark that is well-known in Latvia (within the meaning of Section 8) shall have the right to prohibit other persons from using, in commercial activities, any sign which constitutes a reproduction, an imitation, a translation or a transliteration, liable to create confusion, of the well-known mark in relation to goods or services which are identical or similar to the goods or services covered by a well-known trade mark. (Article 4.7.)

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

In accordance with Article 4.4. of the Law unregistered trade marks may be used in commercial activities.

The unregistered trade marks, which are stated as well-known enjoy all rights granted by the Law to the well-known trade marks.

The unregistered trade mark may serve as a ground for cancellation of later trade mark registration, if that unregistered trade mark has been used honestly prior to the date of filing of application for the registration of the trade mark (or the priority date respectively), in commercial activities in Latvia in connection with identical or similar goods or services for so long and in such amount that the use of the registered trade mark may confuse consumers about the origin of the respective goods or services. (Article 9.3.4.) However, the Law does not provide that a proprietor of an unregistered trade mark may oppose the use of an infringing trade mark. In such circumstances, protection of the former trade mark arises from protection against unfair competition envisaged by Arts. 18 and 18.1 of the Competition Law in conjunction with Art. 10bis of the Paris Convention for the Protection of Industrial Property.

- 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?

Yes, it is possible to obtain or maintain registration for a trademark that is not used or intended to be used. However, it is possible for a period not exceeding 5 years from the date when a trade mark is registered or in any subsequent 5 year time period if no objective justifications exist for the non-use of a trade mark in question; otherwise a trade mark should be subject to revocation after the 5 year time period of its non-use (Art. 32 of the Law).

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

If the counterpart has not requested to prove the use of such trade mark, the rights derived from such trade mark registration the same to registered trade marks that are used.

However the Law lays down provisions which allows the owners of contested right to request to prove the use of such trade marks in order to enforce them.

In opposition procedures the Law provides that where the opposition is fully or partly based on an earlier trade mark, that has been registered no less than five years previously, the owner of the contested trade mark is entitled to request that the opponent provide obvious and sufficient (prima facie) evidence that this earlier trade mark has been actually used. The Board of Appeals shall disregard such grounds for opposition if the applicable evidence is not provided as requested, or if there is no such evidence pertaining to the last five years prior to the examination of the opposition. If the opposing earlier trade mark has been used only with respect to part of the goods and services for which it has been registered, the Board of Appeals shall consider the previously mentioned grounds for opposition only with respect to the goods and services for which use has been substantiated by obvious and sufficient (prima facie) evidence. (Article 19.7.)

In proceedings of unlawful use of a trade mark the Law provides that the person against whom an action for unlawful use of a trade mark is brought may bring a counter-claim to invalidate or revoke the trade mark registration due to non-use. In such cases trade mark infringement may be determined to the extent that its registration is not declared invalid or revoked. (Article 28.3.)

In proceedings of invalidation of trademarks the defendant has a right to bring a counterclaim on the basis of non-use of the earlier trade mark. (Article 31.2.)

- 6) Are rights in unregistered trademarks dependent on use? Whether yes or no, please

explain the basis for your answer.

Yes.

An unregistered trade mark may be enforced against later trade mark only under condition that the unregistered trade mark has been used honestly prior to the date of filing of application for the registration of the trade mark (or the priority date respectively), in commercial activities in Latvia in connection with identical or similar goods or services for so long and in such amount that the use of the registered trade mark may confuse consumers about the origin of the respective goods or services. (Article 9.4.)

Regards the rights of unregistered well-known trade marks, the status of well-known character of trade mark should be proved. The evidence of use may serve for proving the well-known status of trade mark .

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.

Apart of the grounds mentioned in our answer to question 1a) there are no other grounds to limit the rights to use registered or un-registered trade marks.

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.

Article 105 of the Constitution of Latvia provides that “everyone has the right to own property. Property shall not be used contrary to the interests of the public. Property rights may be restricted only in accordance with law. Expropriation of property for public purposes shall be allowed only in exceptional cases on the basis of a specific law and in return for fair compensation.” According to established court practice of the Constitutional Court of Latvia this provision must be interpreted in the light of Art. 1 of Protocol 1 of the European Convention on Human Rights. So far, expropriation cases in Latvia have not involved expropriation of any rights conferred upon a registered or unregistered trade mark.

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.

There are no such precedents or laws related to trade mark rights.

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

Yes, there are provided certain restrictions or expropriation possibilities in case of other intellectual property objects in accordance with the Latvian law. Specifically, the Latvian patent law provides that if a patent affects the interests of the state defence such a patent may be declared secret but the scope of the ownership right of the owner of the patent to the secret invention shall be determined by an agreement with the Ministry of Defence (Art. 11 of the Patent Law).

- 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.

N/A

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

Latvia is a signatory to the FCTC and ratified it on 10/02/2005 (comes into force on 11/05/2005)

- 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.

The National Health Service (which is under the Ministry of Health) monitors issues related to several indicators in the field of tobacco control and implementation/development of national tobacco control policies. It should be noted that the Ministry of Health itself is the central national policy coordinator, therefore all actions are supervised by the ministry.

- 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?

FCTC has a direct effect in Latvia.

- 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).

Presently there are no.

- (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/Expropriation.
 - (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?
 - (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?
 - (d) If compensation is available, how is it calculated?
 - (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.
 - (f) In the event of Restriction/Expropriation, could a trademark remain registered?
 - (g) If yes, what is the consequence of any Restriction/Expropriation on a well known trademark that was registered prior to the Restriction/Expropriation?
- 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.

Amendments of existing domestic legislation would be necessary.

- (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?

N/A

- (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