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‘ON THE NATURE OF TRADEMARK RIGHTS: DOES TRADEMARK REGISTRATION CONFER POSITIVE OR NEGATIVE RIGHTS?’

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ON THE NATURE OF TRADEMARK RIGHTS: DOES TRADEMARK REGISTRATION CONFER POSITIVE OR NEGATIVE RIGHTS?

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Introduction
In chapter 1 Alberto Alemanno has introduced a useful taxonomy of the various regulatory measures that are at the centre of this volume. While the focus of these regulatory interventions is predominantly on tobacco, alcohol and food products high in salt, sugar and fat (HSSF), pharmaceuticals make no exception to this trend, as highlighted in Jeremy Blum’s chapter.

These measures pursue the aim of increasing information amongst consumers about the characteristics of the relevant products (or the health risks associated with consumption) and, in some cases, also that of discouraging their consumption. Critically, they also prevent trademark owners from fully enjoying their brands on the packaging of their products. Thus, while plain packaging of tobacco products restricts the use of word signs and prohibits the use of figurative trademarks, health warnings alone reduce the space available for brands on the packaging. Also, the single presentation requirement adopted by Uruguay – by limiting the use of just a version of each trademark on the packs – constraints the ability of tobacco manufacturers to use their family of brands. The same holds true of the recent Australian proposals relating to the packaging of pharmaceutical products. If enacted, those would inter alia (i) ban the use of the same look-alike and sound-alike brand for different drugs and (ii) compel pharmaceutical companies to display the active ingredients on a significant part of the packaging with equal prominence to the brand name.

Despite their inherent negative impact on the full enjoyment of those rights, the measures in question would seem to be compliant with the trademark related provisions of the Trade-Related Aspects of Intellectual Property (TRIPS) Agreement and the Paris Convention. This is primarily due to the fact that these international treaties only offer trademark owners a negative right (i.e. the right to prevent third parties from exploiting their sign) and not also a positive right to use it. This chapter unpacks the positive vs negative debate, without however considering the aspects related to the effectiveness of the measures, which are also key in determining their TRIPS-compatibility.

Trademark registrations provide only ‘negative’ rights
It seems clear to me that what trademark registrations do offer is just a ius excludendi alios, namely the negative right to prevent others from exploiting the brand, which is not jeopardized

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1 The adoption of most of these measures has been triggered by a set of international regulatory instruments, e.g. the legally binding World Health Organization (WHO) Framework Convention on Tobacco Control, as well as certain soft law instruments such as the WHO Strategies on Alcohol and Diets, the 2011 United Nations (UN) Political Declaration on NCDs and the WHO Global Action Plan for the Prevention and Control of NCDs 2013–2020. See also the WHO Global Strategy to Reduce the Harmful Use of Alcohol (2010), WHA63.13; WHO Global Strategy on Diet, Physical Activity and Health (2004), WHA57.17; Political Declaration of the High-level Meeting of the General Assembly on the Prevention and Control of Non-communicable Diseases, GA Res. 2, UN GAOR, 66th session, 3rd plenary meeting, UN Doc. A/Res/66/2 (2012); WHO Global Action Plan for the Prevention and Control of Non-Communicable Diseases, Resolution WHA66.10 endorsed by the 66th WHO World Health Assembly.

2 See also the South-African measure which bans the use of baby-related logos on infant formula packaging, implementing the International Code of Breastmilk Substitutes, as mentioned in Alemanno, this volume, Chapter 1 at 000.

3 Ibid. 00 and see also Mitchell, this volume, Chapter 8 at 000.

4 These Australian proposals were aimed at avoiding patients’ confusion and possible overdoses. See Blum, this volume, Chapter 4 at 00.

5 It is opportune to stress this point as it seems that courts are still wrapped in confusion. A recent decision of the CJEU confirms such confusion. In Media V Box Diffusing SA v David Depuydt the CJEU was asked whether a trademark owner
by the measures in question. A sign can indeed be used by economic operators regardless of, and prior to, registration by the trademark office, that is, as soon as they start a business, by offering the relevant products or services in the market. In other words, as will also be shown later, traders and companies only have a privilege (not a right) to use a brand and registration by a trademark office restricts the privilege to use the sign.

The fact that trademark registrations only provide a negative right is confirmed by Article 16 TRIPS: ‘The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner’s consent from using in the course of trade identical or similar signs.’ And the fact that the registration does not offer its owner a positive right to use the trademark allows governments to introduce measures that prohibit or restrict such use on public interest grounds. As also has been confirmed by the World Trade Organization (WTO) Panel in EC – Trademarks and Geographical Indications, the TRIPS agreement:

do not generally provide for the grant of positive rights to exploit or use certain subject matter, but rather provides for the grant of negative rights to prevent certain acts. This fundamental feature of intellectual property protection grants Members freedom to pursue legitimate public policy objectives since many measures to attain those public policy objectives lie outside the scope of intellectual property rights and do not require an exception under the TRIPS Agreement. The above reading had also been confirmed by Advocate General Geelhoed in his Opinion on the validity of the 2001 European Union (EU) Tobacco Products Directive: 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. (emphasis added).

Arguments and counterarguments

In the following paragraphs I will present and criticize arguments put forward by some scholars in support of the opposite opinion, namely that trademark registrations would also confer a positive right to use the sign. In doing so I will frequently refer to specific provisions of the Paris Convention and the TRIPS Agreement.

The alleged 'spirit' of TRIPS and Paris

could be permanently prevented from exercising its exclusive rights and from using its trademark for certain goods because a third party has used the mark for these goods with the consent of the owner over an extended period of time (Case C-661/11 Martin Y Paz Diffusion SA v David Depuydt decision of 19 September 2013). It held that under these circumstances the right owner cannot be deprived of any possibility of asserting the exclusive right conferred upon it by those trademarks against that third party and of itself exercising that exclusive right in respect of goods which are identical to those of that third party. It thus seemed to suggest that trademark registrations confer positive rights to use the sign. Yet, in his preliminary opinion Advocate General Cruz Villalón expressly held the opposite opinion, namely that trademark rights are negative (AG’s Opinion of 18 April 2013, para. 90).


See below, the section entitled ‘The privilege to use a sign’.

See also Article 5(3) Trademark Directive; Article 9(1) Trademark Regulation; Recital 14 Directive 98/44/EC of the European Parliament and of the Council of 6 July 1998 on the Legal Protection of Biotechnological Inventions [1998] OJ L213/13. The view that trademark rights are only negative is shared by most commentators. See, for example, Carlos Correa, Trade Related Aspects of Intellectual Property Rights: A Commentary on the TRIPS Agreement (OUP 2007) 186 (noting that Article 16(1) ‘alludes to the right to exclude the use under certain conditions. It is clearly provided for as a negative right, and not as the right to use the trademark.’).

European Communities – Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs (Complaint by Australia), WT/DS290/R, para. 7.246.

Some commentators argue that while the TRIPS Agreement and the Paris Convention (whose main provisions are incorporated in the former) do not expressly refer to a positive right to use a trademark, nonetheless the spirit of these two treaties is to allow the use of signs. It has also been argued that rights to property are often defined in a negative (i.e. as rights to exclude others) and not in a positive way, merely in order to facilitate governments’ actions for limiting such rights: ‘if property owner’s rights are not defined as rights to exclude from the property, laws affecting the property might be harder to make without expressly calling them exceptions to owner’s rights’.

The argument in question, based on alleged purposive interpretation of international trademark law provisions, seems flawed. First, as far as TRIPS is concerned, it is difficult to imply a positive right to use a trademark in the body of an international treaty that is all about ‘rights’, namely the Trade-Related Aspects of Intellectual Property Rights. Indeed, states do not subscribe to the idea that they have accepted that they are offering rights which are not explicitly referred to in the body of a treaty they have negotiated. Also, if a positive right to use signs is (impliedly) conferred by the TRIPS Agreement, it is far from clear what the scope of this right is. Would it, for example, include the right to use brands for advertising harmful products such as tobacco, with the result that much of the legislation around the world that bans tobacco advertising would be rendered unlawful? No doubt such an interpretation would jeopardize legal certainty.

If TRIPS negotiators really meant to include a positive right to use a sign, they would have expressly mentioned and defined it in a specific provision, if not even in the heading of an article. The WTO Panel, in EC – Trademarks and Geographical Indications, confirmed this view: ‘if the drafters had intended to grant a positive right, they would have used positive language … The right to use a trademark is a right that Members may provide under national law.’ And as highlighted by Althaf Marsoof (this volume, Chapter 8) Sri Lanka has indeed embraced a positive right approach. States thus retain the option to introduce such a right if they wish, as Australia also seems to have done in 1995 when passing its Trade Marks Act (section 20(1)). Yet the fact that a country passes trademark statutes that envisage a positive right to use signs does not prevent it from prohibiting or restricting the use of the marks when adopting legislative measures in the public interest. In most legal systems such measures indeed constitute lex specialis (because they are adopted just in specific sectors) and are capable of superseding general laws like intellectual property (IP) legislation (lex specialis derogat legi generali, namely a special law repeals a general law). For example, Australian plain packaging legislation, which was introduced in 2011 and limits the ability of tobacco manufacturers to use signs, should be considered lex specialis and thus a legitimate derogation of the 1995 Australian Trade Marks Act (lex generalis) (still assuming that the former confers a positive right).

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11 Article 2.1 TRIPS.
12 See, for example, Gervais (n. 6 above) para. 59.
15 The Paris Convention does not provide an implied right to use trademarks either. See infra the subsection ‘Registration versus use’.
17 Mark 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 Andrew Mitchell, Tania Voon and Jonathan Liberman (eds), Public Health and Plain Packaging of Cigarettes: Legal Issues (Edward Elgar 2012) 88–89. See Davison, this volume, Chapter 6 at 000.
18 European Communities – Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs (Complaint by Australia), WT/DS290/R, paras 7.610–7.611. The Panel affirmed the above when rejecting the argument of the European Communities that the reference in Article 24(5) TRIPS Agreement to ‘the right to use a trademark’ entails that TRIPS itself confers such a right. Also, a footnote to the Panel’s finding confirms that Article 16 TRIPS only provides a negative right. See ibid. para. 7.611, fn 564.
19 Marsoof, this volume, Chapter 7.
20 I use the verb ‘seem’ here as the said provision has in fact been interpreted by the Australian High Court as only conferring a negative right, as will be shown in the next subsection.
Similarly, if a country introduces advertising restrictions in a specific field (e.g. alcohol), which have the effect of preventing the promotional use of alcohol-related brands in certain advertising-related scenarios, such measures would constitute a lawful derogation of trademark statutes which provide a positive right to use signs.

The argument that there would be no point in just exercising the right to exclude others from exploiting the registered sign if the owner cannot use it itself is also flawed. The negative right would still be useful as it would allow owners, especially those of well-known trademarks, to maintain the value of the sign for the purpose of licence in other fields (where lawful) and in particular, to prohibit infringing activities which could turn out to dilute the distinctiveness and image of the trademark in case the prohibition or restriction were subsequently repealed.

**Interpretation of domestic trademark laws**

The TRIPS Agreement therefore does not mandate states to provide a positive right to use the registered trademark. It, however, leaves countries free to offer trademark owners such a right, if they so wish.

Yet, even national legislations which seem to confer a positive right to use the sign have been interpreted in a ‘negative’ way. The Australian Trade Marks Act of 1995 is a case in point. Section 20(1) of the Act provides that trademark owners have ‘the exclusive rights: (a) to use the trade mark; and (b) authorise other persons to use the trade mark’. Yet, in the domestic dispute concerning the constitutionality of the plain packaging legislation the Australian High Court, while stressing that trademark and in general IP rights are property rights that can be assigned, found that what trademark registrations offer are just negative rights. In particular, Justice Crennan held that ‘the exclusive right to use the mark is a negative right to exclude others from using it.’ And Justice Kiefel stressed that ‘the right subsisting in the owner of a trade mark is a negative and not a positive right. It is to be understood as a right to exclude others from using the mark’.

Finally, Justice Gummow noted that:

‘trade mark registration systems ordinarily do not confer a liberty to use the trade mark, free from what may be restraints found in other statutes or in the general law. All these items of “property” are “artificial products of society”, not “physical objects” the boundaries of each class of which are fixed by external nature; more precisely these are not affirmative rights like the property in goods and not rights “in gross, or in the abstract.”’

**Registration versus use**

The argument that trademark registrations would confer rights to use is often coupled with the point that if registrations are granted it is because trademarks must be used in commerce, not because their owners want to just get a certificate from the state.

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23 Lord Hoffmann, Opinion to Philip Morris International, 24 May 2012, the opinion given by Lord Hoffmann to Philip Morris, para. [http://www.pmi.com/eng/tobacco_regulation/submissions/documents/submission%20and%20all%20annexes%20%28combined%29.pdf] accessed 11 November 2015; see also Justice Heydon’s dissenting opinion in the decision regarding the Australian tobacco plain packaging legislation, JT/BAT v Commonwealth [2012] HCA 43, 208, 216, 223 (noting that ‘a right to exclude others from use is not of value unless the owner of the right can engage in use. So far as the proprietors retain their rights as owners of intellectual property to exclude others from its use, those rights are hollow. All the proprietors’ intellectual property had been rendered completely worthless, and the right to use the space on the packet had disappeared’).


25 JT/BAT v Commonwealth (n. 23 above) 30, 35 (Justice French); 107–137 (Justice Gummow); 202–206 (Justice Heydon, dissenting).

26 Ibid. 72.

27 Ibid. 98. In its decision the Australian High Court (Justice French) also referred to previous national cases that confirm that trademark registrations offer negative rights (e.g. *Campomar Sociedad Limitida v Nike International Limited* [2000] HCA 12, p 16 of the decision).

28 Ibid. (n. 25 above) 107.


30 See also Christopher Morcom, ‘Trademarks, Tobacco and Human Rights’ (2008) *Trademark World* 18–21 (noting that ‘there is not much point in having registered trademarks if one is forbidden to use them in trade’).
therefore be a ‘hollow formal right which is economically meaningless’. This interpretation would be reinforced – the argument goes – by the fact the provisions of the TRIPS Agreement and the Paris Convention which deal with registration issues also refer to use. For example, para. 3 of Article 15 states that ‘Members may make registrability depend on use’, whereas para. 4 provides that ‘the nature of the goods or services to which a trademark is to be applied shall in no case form an obstacle to registration of the trademark’. A contextual reading of these provisions would therefore suggest that the use of a trademark is inextricably linked to its registration and thus what trademark registrations confer on their owners are also positive rights to use the sign.

The above arguments seem to go too far and in particular to confuse two concepts – registration and use of trademarks – that are in fact different and autonomous. First, the use of trademarks is covered by another provision, namely Article 20 TRIPS Agreement, which will be analysed below. Also, the reference to Article 15(3) TRIPS does not lend weight to the ‘positive right’ argument. By providing that states may make registrability of trademarks depend on use, this Article is also saying that countries do not have any obligation to make registration dependent on use, which confirms again that registration and use are different concepts.

Secondly, trademark registrations may have relevant economic value even when the signs in question are not yet used. For instance, they may be assigned even when the relevant signs are not in use. Cases where trademark registrations are purchased by companies that later decide not to use the signs in question are not uncommon. This proves that registration may be economically valuable, at least for a certain period of time, regardless of any use of the underlying sign. Also cases where trademark owners keep registration alive despite not being able to use the sign are not rare. For example, despite being legally bound not to use descriptors such as ‘mild’ and ‘light’, some tobacco companies have nonetheless renewed trademarks containing such descriptors.

Moreover, the real purpose of Article 15(4) TRIPS is to ensure that registration can occur even though the use of a trademark is not possible in connection with a particular product, for instance, because the goods on which it should be affixed cannot be sold on security or safety grounds (e.g. a pharmaceutical product which can be marketed only after obtaining the relevant marketing authorization). It is therefore implicit in such provision that, despite the registration, the use of trademarks may be restricted or even prohibited by governments under certain circumstances.

This interpretation has also been endorsed by a former Director-General of the World Intellectual Property Organization (WIPO), which administers the Paris Convention:

...Article 7 [Paris Convention, which is reproduced in Article 15(4) TRIPS and is also incorporated into the latter] does not address the question of permission to use a registered mark. Therefore, countries party to the Paris Convention remain free to regulate the sale of certain types of goods, and, the fact that a mark has been registered for such

33 Gervais (n. 6 above) paras 21–31 (noting in particular that ‘it makes little sense to allow registration of marks and ban their use in commerce’).
35 Davison and Emerton (n. 16 above) 550.
36 See the Australian registered trademarks no 598946 ‘PJ Peter Jackson Extra Mild’, renewed in 2010 and no 466640 ‘Rothmans Special Mild R’, renewed in 2008, owned by British America Tobacco Australia Ltd and Philip Morris Australia Ltd.
37 See also Davison, this volume, Chapter 6 at 00.
38 Georg Hendrik Christiaan Bodenhausen, Guide to the Application of the Paris Convention for the Protection of Industrial Property, as Revised at Stockholm in 1967 (WIPO 1968) 128 (noting that Article 7 Paris Convention, whose content is reproduced in Article 15.4 TRIPS, has a narrow scope of application and its purpose is to make the protection of industrial property independent of the question whether the relevant products may or may not be commercialized in the state in question).
39 McGrady (n. 24 above) 65–66; Correa (n. 8 above) 182.
40 Article 20 TRIPS.
goods does not give the right to the holder of the registration to be exempted from any limitation of using the mark which may be decided by the competent authority of the country where the mark is registered.\footnote{The former WIPO Director General, Mr A Bogsch, expressed this view in a letter addressed to the Director General of the World Health Organization on 22 February 1995. See Neil Collishaw, ‘Tobacco Control and the Paris Convention for the Protection of Industrial Property’, (1996) 5 Tobacco Control 165. The same view was expressed by Mr Ludwig Baeumer (former Director of the Industrial Property Law Department of WIPO) in a letter addressed to a solicitor for a tobacco company: ‘. . . countries party to the Paris Convention remain free to regulate or prohibit the sale of certain types of goods, and the fact that a mark has been registered for such goods does not give the right to the holder of the registration to be exempted from any limitation or prohibition of use of the mark decided by the competent authority of the country where the mark is registered’. In a second letter addressed to another law firm Mr Ludwig Baeumer wrote: The countries of the Paris Union are bound to admit trademarks for registration, notwithstanding the nature of the goods to which they are applied (Article 7). However, the Paris Convention does not contain any obligation to the effect that the use of a registered trademark must be permitted.’ See Mark Davison, ‘Plain Packaging and the TRIPS Agreement: A Response to Professor Gervais’ (2013) 23 Australian Intellectual Property Journal 160–73, 164.\textsuperscript{\textcopyright}}

The Paris Convention, therefore, like the TRIPS Agreement, does not mandate a positive right to use a trademark. This conclusion is further reinforced by the following fact. An amendment to Article 7 of the Paris Convention was presented by the Association Internationale de la Propriété Intellectuelle to the 1956 Lisbon Conference for the revision of this international treaty. It would have added to the said provision the following words: ‘The exclusive right of the owner or right holder to use a mark thus registered or renewed cannot be prohibited or limited when the sale to which it applies is legal.’ Yet, the proposed amendment was not accepted. Such refusal confirms that the Paris Convention has not incorporated any positive right to use a trademark.\footnote{Bodenhausen, quoted by McGrady (n. 24 above) 65. See also G Karmell, ‘Some Comments on the Article “Logo Licensing of Tobacco Products – Can it be Prohibited?”’ by Professor Ulf Bernitz in [1990] 4 EIPR pp. 137–139’ (1990) European Intellectual Property Review 138 (noting that ‘it is quite obvious from its historical background that it [Article 7 Paris Convention] must not be given a broader interpretation, for example, so as to exclude a prohibition on the use of a trade mark for a particular kind of product’).}

Some commentators believe moreover that countries’ freedom to restrict or prohibit the use of trademarks would be significantly limited by another provision of the Paris Convention, namely Article 6-quinquies(B),\footnote{Lalive (n. 32 above) 6–8.} which is also incorporated by reference into TRIPS.\footnote{Article 2(1) TRIPS.} This provision states that trademarks can be denied registration or registration can be invalidated when they are contrary to morality or public order; when they are of such a nature as to deceive the public; when they are of such a nature as to infringe rights acquired by third parties in the country where protection is claimed; and when they are devoid of any distinctive character. Such a provision, the argument goes, should be interpreted as meaning that not only registration but also the use of trademarks can be prevented exclusively on the above grounds. Countries would therefore be able to prohibit (not only the registration but also) the use of trademarks exclusively on the grounds mentioned in Article 6-quinquies(B).

Accepting this interpretation of the provision in question would prevent countries from adopting the packaging-related measures highlighted in this volume, as they do not fall within the grounds referred to in the Article. Yet, this interpretation, again based on the (erroneous) assumption that the use of a trademark would be inextricably linked to its registration, cannot be accepted.

Admittedly, it is undisputed that the grounds indicated in Article 6-quinquies(B) Paris Convention are not motivated by their registration being problematic, but rather by the fact that the use of the trademark would be.\footnote{Lalive (n. 32 above) 7.} For example, registration of a sign which violates prior exclusive rights of a third party would be denied not because the registration itself is inherently wrong, but because of the damages to such a third party and because of consumers’ confusion which the use of the later sign provokes.\footnote{Bodenhausen, quoted by McGrady (n. 24 above) 65. See also G Karmell, ‘Some Comments on the Article “Logo Licensing of Tobacco Products – Can it be Prohibited?”’ by Professor Ulf Bernitz in [1990] 4 EIPR pp. 137–139’ (1990) European Intellectual Property Review 138 (noting that ‘it is quite obvious from its historical background that it [Article 7 Paris Convention] must not be given a broader interpretation, for example, so as to exclude a prohibition on the use of a trade mark for a particular kind of product’).} Also, when a trademark office rejects an application, or when a court invalidates a registration, on deceptiveness grounds, the said office or court does so because it has assessed that the use of the trademark might mislead consumers as to certain characteristics of the goods on which the sign in question is affixed.

Such examples, however, do not support the interpretation in question. Indeed, in the circumstances mentioned above, the reference to the use of trademark is simply instrumental,
that is, it is necessary to decide whether the registration should be granted or invalidated (it would be impossible to carry out such assessment without taking into consideration the use of the sign). In other words, the reference to the use of the signs on the market is merely ancillary as it allows trademark offices and judges to verify whether the trademark is registrable. The fact remains that registrability of trademarks, to be assessed in administrative or judicial proceedings also taking into account any possible use of the signs, should not be confused with their use.47

We should therefore conclude that Article 6-quinquies(B) Paris Convention cannot be interpreted as extending its scope of application to trademark use, but just covers registration-related issues. It follows that the measures commented upon in this volume – which imply the prohibition or restriction on use of signs aimed at discouraging consumption and/or delivery of objective information to consumers – cannot be challenged under this provision.

In any case, even interpreting Article 6-quinquies (B) Paris Convention in the opposite way and thus accepting that this provision also applies to uses of trademarks would not significantly limit states’ freedom to prohibit uses of signs. This Article should indeed be read in conjunction with Article 6(1) of the same treaty, which states that ‘the conditions for the filing and registration of trademarks shall be determined in each country of the Union by its domestic legislation’. In US – Section 211 Appropriation Acts the WTO Appellate Body gave a broad interpretation of this provision and reserved to countries wide legislative discretion when it comes to determining the conditions for accepting or refusing registrations, thus confirming that the Paris Convention is quite liberal in terms of grounds upon which registration can be rejected.48 Thus, as has been noted, the reference to the right to use that stems from registration loses much of its impact since, if there is great scope for countries to reject registration, then accordingly there would also be wide scope to prohibit the use of signs.49

The ‘revocation’ argument
Some scholars have also stressed that, unlike other IP rights such as copyright (where the owner is not required to use the work in order to maintain protection), trademarks should be used to avoid revocation. In addition – they stress – in many jurisdictions applicants must show use or intention to use the sign in order to obtain the registration.50 This point would be in support of the view that trademark registrations also offer a positive right to use the sign.

Such arguments are also flawed. A look at Article 19 TRIPS clarifies this: ‘the registration may be cancelled only after an uninterrupted period of at least three years of non-use, unless valid reasons based on the existence of obstacles to such use are shown by the trademark owner’ (emphasis added). Similar provisions are also contained in the EU Trademark Directive and Regulation, which rule out revocation if ‘there are proper reasons for non-use’.51 Also, the first part of Article 19 TRIPS states: ‘If use is required to maintain a registration . . .’. This wording means there may also be cases where use is not required to keep the registration alive.52 This is particularly true of the recent tobacco plain packaging laws which prohibit manufacturers from using non-word trademarks and limit the use of word signs. Such legislation prevents the refusal of a registration, or its revocation, merely because the owner is banned from using the sign on the products and their packaging.53

47 Moreover, registration of trademarks which infringe prior rights, the first ground mentioned in Article 6-quinquies(B) Paris Convention, can be refused or invalidated not only because of the damages to the owners of such prior rights and/or the consumers’ confusion caused by the use of the later sign. Indeed, most owners of trademarks, especially well-known ones, are also strong in their opposition to the mere registration of subsequent similar signs, even where they are not actually used, as they want trademark registers to be maintained as ‘clean’ as possible, i.e. they want to avoid registers being ‘invaded’ by similar signs which could contribute to dilution of their trademarks’ uniqueness.


49 Davison (n. 17 above) 87–88.


51 Article 15(1) Trademark Regulation and Article 12(1) Trademark Directive.

52 Davison and Emerton (n. 16 above) 558.

53 See para 32 of the Australian Tobacco Plain Packaging Act 2011.
Legitimate interests of trademark owners and promotion of harmful products

Some commentators point to a specific finding of the WTO Panel in EC – Trademarks and Geographical Indications.\textsuperscript{54} They rely on such a finding to reiterate that the TRIPS Agreement provides owners of a registered trademark with legitimate interests which include the right to use the sign.\textsuperscript{55} The Panel, in particular, held that ‘every trademark owner has a legitimate interest in preserving the distinctiveness, or capacity to distinguish, of its trademark so that it can perform that function. This includes its interest in using its own trademark in connection with the relevant goods and services of its own and authorized undertakings.’\textsuperscript{56}

I believe such a statement does not lend weight to the ‘positive right’ argument. First, the Panel referred to the concept of ‘legitimate interests’ when interpreting Article 17 TRIPS, which does not set rights for trademark owners but just deals with exceptions to such rights. It is therefore hard to claim that the finding in question has created a positive legal right to use a sign. Also, in the very same decision, the Panel noted that the ‘legitimate interests’ of trademark owners must be ‘something different’ from full enjoyment of ‘legal rights’.\textsuperscript{57} This finding is further reinforced by the WTO Panel decision in Canada – Pharmaceutical Patents, a dispute related to the interpretation of Article 30 TRIPS, which sets forth the permitted exceptions to patent rights.\textsuperscript{58} The issue there was whether the de facto extension of patent protection, which stemmed from potential competitors being unable to launch their products (generics) on the market the very same day the patent expired, was a ‘legitimate interest’ of the patent owner. The Panel held it was not – and stressed that ‘legitimate interests’ cannot be equated with ‘legal rights’.\textsuperscript{59}

In any event, it should be noted that there are different kinds of interests in use of trademarks. As has been argued, use is not an end in itself in a trademark context.\textsuperscript{60} The interest in use of signs to minimize or prevent the likelihood of confusion between different brands is certainly legitimate, as it ensures that consumers make educated purchase choices.\textsuperscript{61} Yet, there are also interests in use which a government may lawfully consider as not legitimate. For instance, while manufacturers of unhealthy (and legal) products still have a legitimate interest in using trademarks for differentiating their goods from the ones sold by competitors, they nevertheless may not have legitimate interests in using their brand (e.g. in commercial ad messages and on the packaging) for promoting such products and deceiving consumers as to the effects on their health. The same holds true of pharmaceuticals. Manufacturers of medicines may not have a legitimate interest in using their trademark, and in general the space on the packaging, to give consumers incorrect and misleading messages, even when there is no deliberate intention to do that. Indeed, Jeremy Blum (this volume, Chapter 4) expands (rather critically, though) on certain Australian proposals aimed at avoiding uses of brands capable of leading patients to take incorrect doses of the same active ingredient.\textsuperscript{62}

Again the report of the WTO Panel in Canada – Pharmaceutical Patents reinforces this view. The Panel noted that:

to make sense of the term ‘legitimate interests’ . . . that term must be defined in the way that it is often used in legal discourse – as a normative claim calling for protection of interests that are ‘justifiable’ in the sense that they are supported by relevant public policies or other social norms. This is the sense of the word that often appears in statements such as ‘X has no legitimate interest in being able to do Y’.\textsuperscript{63}

\textsuperscript{54} European Communities – Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs (Complaint by United States), WT/DS174/R, report of 15 March 2005.
\textsuperscript{55} See e.g. Gervais and Frankel (n. 6 above) 1198–201.
\textsuperscript{56} European Communities – Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs (n. 54 above) para. 7.664.
\textsuperscript{57} Ibid. para. 7.662.
\textsuperscript{59} Ibid. para. 7.68 (stressing that the third step of Article 30 TRIPS requires consideration of the legitimate interests of both the patentee and third parties; thus, to equate ‘legitimate interests’ with ‘legal rights’ would make the reference to legitimate interests of third parties redundant, as third parties have no patent legal rights).
\textsuperscript{60} Davison and Emerton (n. 16 above) 565.
\textsuperscript{61} Ibid. 565.
\textsuperscript{62} See Blum, this volume, Chapter 4 at 000.
\textsuperscript{63} Canada – Patent Protection of Pharmaceutical Products (n. 58 above) para. 7.68.
It was eventually held that patent owners do not have any legitimate interests in the above mentioned de facto extension of patent protection, as such an extension would unreasonably delay the entry into the market of generic drugs, which in turn would prevent consumers from buying cheaper medicines straight after the expiry of the patent.\textsuperscript{64} In other words, patentees' interests in de facto extension of protection is not legitimate as it is not supported by a relevant public policy.

By the same token, it seems difficult to argue that trademark owners can claim a legitimate interest in the use of signs to promote harmful products,\textsuperscript{65} or anyway to confuse or mislead consumers as to the characteristics of important products like drugs. Such an interest is not supported by a relevant public policy. On the contrary a public policy is sound – I believe – if it imposes measures similar to the ones analysed or mentioned in this volume: for example, (i) legislative bans on the promotion of harmful products, whatever shape that promotion takes, for instance, advertising on TV, radio, at sport events or, as in the case of products targeted by plain packaging laws, by using particularly eye-catching brands on the packaging; (ii) obligations to affix on the packaging large warnings about negative health consequences; (iii) bans on the use of sexy descriptors, colours and terms referring to such colours, which are capable of deceiving consumers about the real effects of the products on their health; and (iv), in the case of pharmaceuticals, obligations to indicate the active ingredients on a significant part of the packaging with equal prominence to the brand name.\textsuperscript{66}

A complaint by trademark holders would be grounded and reasonable should the regulatory measure in question also prevent manufacturers from distinguishing their products completely from those of competitors. Yet, this is not the case with measures such as those highlighted in this volume as they still allow brands to be sufficiently recognizable by consumers. For instance, the ban on the use on cigarette packs of descriptors such as ‘mild’, ‘light’, ‘ultra-light’ and ‘low-tar’,\textsuperscript{67} in force in several jurisdictions,\textsuperscript{68} does not prevent manufacturers from displaying their brands on the remaining part of the pack. This is exactly what the Court of Justice of the EU (CJEU) held in the proceedings involving the 2001 Tobacco Products Directive. Indeed the court, called upon to examine the extent to which the prohibition of the above descriptors could infringe the fundamental right to property, including IP and trademark rights, noted that tobacco producers can keep using other distinctive signs on the packs. In particular, it held that:

> [w]hile that article entails prohibition, in relation only to the packaging of tobacco products, on using a trade mark incorporating one of the descriptors referred to in that provision, the

\textsuperscript{64} Ibid. para. 7.82.
\textsuperscript{65} That trademarks also aim at promoting the relevant products is well-known. Judicial bodies and trademark experts have confirmed that on many occasions. For example, in its decision on the merger of Imperial Tobacco and Altadis, the European Commission held that ‘the brand is key for the customers not only to identify products, but the image of the brand plays a very strong role for targeting the customer groups which feel attracted by a certain appeal’ (Case No COMP/M 4581. Recital 68). Also, in Google France (Case C-236/08 to C-238/08) the CJEU held that ‘those functions [ trademarks' 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’ (emphasis added). See also L’Oreal v Bellure (Case C-487/07, para. 58). Likewise, in Budějovický Budvar, národní podnik v Anheuser-Busch Inc (C-482/09) Advocate General Verica Trstenjak stressed the ‘coding, guarantee, origin, identification and individualisation, information and communication, monopolising, naming, quality, distinction, confidence, distribution and advertising functions’ of trademarks (emphasis added). Similarly, Justice Brennan in the Australian High Court ruling that has found domestic legislation on plain packaging constitutional held: ‘Whilst the prime concern of the Trade Marks Act is with the capacity of a trade mark to distinguish the goods of the registered owner from those of another trader, trade marks undoubtedly perform other functions. For example . . . it may be accepted that distinctive marks can have a capacity to advertise, and therefore to promote sale of products sold under or by reference to them. The advertising function of a trade mark is much more readily appreciated than it once was . . . JT/BAT (n. 25 above) 286. Several scholars have also stressed the advertising function of brands. For instance, Thomas McCarthy argued that ‘the mark actually helps to sell the goods’ and cited what the authors of the Restatement had stressed: ‘As the geographical scope of markets expanded and systems of distribution became increasingly complex, trademarks came to function as an important instrument of advertising . . . the mark itself can become a significant factor in stimulating sales;’ see J Thomas McCarthy, McCarthy on Trademarks and Unfair Competition (Clark Boardman Callaghan 2003) vol. 3, paras 3:11–3:12.
\textsuperscript{66} See Blum, this volume, Chapter 4 at 000.
\textsuperscript{67} In addition to preventing deception amongst consumers, these bans also aim at neutralizing promotional effects. The tobacco industry has indeed used on packaging such descriptors as a marketing strategy to discourage cessation and sustain corporate revenues. See Stacey J Anderson, Pamela M Ling, and Stanton a Glantz, ‘Implications of the Federal Court Order Banning the Terms “Light” and “Mild”: What Difference Could It Make?’ (2007) 16(4) Tobacco Control 275–79.
\textsuperscript{68} For example, this obligation has been in force in the EU since the first Tobacco Products Directive (2001/37/EC) (see Recital 22 and Article 7).
fact remains that a manufacturer of tobacco products may continue, notwithstanding the removal of that description from the packaging, to distinguish its product by using other distinctive signs.\textsuperscript{69}

This is also true of the most drastic measure highlighted in this volume, namely the plain packaging of tobacco products.\textsuperscript{70} Whilst this marketing restriction prevents tobacco manufacturers from displaying non-word elements of their trademarks (with a view to curbing any promotional effect), it nonetheless allows them to show their word trademarks on the pack, albeit in a standardized and neutral form.\textsuperscript{71} And word trademarks appear to be capable of distinguishing tobacco products in a retail environment.\textsuperscript{72} For example, in Australia, even before legislation on plain packaging was passed in 2011, tobacco products could not (and still cannot) be displayed at the point of sale (the so-called ‘display ban’). The only indication of the tobacconist’s stock at the retail point is a list of the brands (word trademarks in a standard font and not accompanied by any fancy logos or images) and their price.\textsuperscript{73} And tobacco consumers make their purchase choice by relying on this list of word trademarks.\textsuperscript{74} The introduction of plain packaging in Australia, therefore, has not changed the way consumers choose their preferred cigarette pack (the same can be said of Ireland and the UK which have recently adopted this public health measure). What this has done is to prohibit the use of fancy, colourful and eye-catching elements of tobacco brands outside the course of trade (i.e. on the packaging which can be shown in public after the sale).\textsuperscript{75} This ban aims to prevent the promotion of what are unanimously considered harmful products. The main problem here lies in the fact that it is not possible to curb the promotional effects of packaging without reducing the distinctive function of the brand: the two functions of trademarks are indeed performed simultaneously. If governments lawfully adopt measures aimed at neutralizing the promotional effects of tobacco brands, it is inevitable that doing this will also lower the distinctive character of such trademarks.\textsuperscript{76}

Also, trademark owners could not challenge this category of measures by invoking a loss in brand value. In particular, the Panel’s statement in EC – Trademarks and Geographical Indications that ‘taking account of that legitimate interest will also take account of the trademark owner’s interest in the economic value of its mark’\textsuperscript{77} cannot be relied on to oppose the measures at issue.\textsuperscript{78} It could not be invoked, in particular, to imply a positive right to use trademarks. Indeed, in the past, public authorities have adopted measures in the public interest that have had the effect of reducing the value of brands (e.g. a ban on advertising of tobacco products on TV, radio, and at sports events and a ban on product placement) without owners formally complaining about a violation of an alleged right to use the brand.

\textit{Harmfulness of the product and IP analysis}

One might also argue that the fact that a product is harmful to consumers’ health (e.g. tobacco, alcohol, bad food) should not be invoked as a justification to prohibit or restrict the use of the

\textsuperscript{69} Case C-491/01 \textit{The Queen v Secretary of State for Health, ex p British American Tobacco (Investments) Ltd and Imperial Tobacco Ltd}, decision of 10 December 2002, para. 152.

\textsuperscript{70} The same goes for the Australian proposal to compel pharmaceutical companies to indicate active ingredients on a significant part of the packaging of medicines with equal prominence to the brand name. It seems indeed that companies are still able to distinguish their products from those of competitors, although the level of distinctiveness is reduced: see Blum, this volume, Chapter 4 at 000.


\textsuperscript{72} In my previous co-authored work, ibid. 456–57, I also reported opposite opinions from several sources, including tobacco companies, highlighting a possible clash between plain packaging and tobacco trademarks’ distinctiveness.

\textsuperscript{73} Davison and Emerton (n. 16 above) 510–11.

\textsuperscript{74} Regular smokers often do not even look at the list of brands before purchasing the pack. They already know which brand they want to buy. See also Marsoof (n. 22 above) 209 (noting that ‘it is hard to imagine that a hard-core smoker would get confused as to the product he desires’).

\textsuperscript{75} The primary impact of plain packaging is in social settings after customers have purchased the tobacco product: see Mark Davison, ‘International Intellectual Property Law’, in Tania Voon, Andrew Mitchell and Jonathan Liberman (eds), \textit{Regulating Tobacco, Alcohol and Unhealthy Foods: The Legal Issue} (Routledge 2014) 142.

\textsuperscript{76} Davison (n. 41) 170.

\textsuperscript{77} \textit{European Communities – Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs} (n. 54 above) 7.664.

\textsuperscript{78} The Panel’s statement in question has been invoked by some opponents of plain packaging of cigarettes: see e.g. Lalive (n. 53 above) 9, 10 (and also cited in Alemanno and Bonadio (n. 71 above) 481).
relevant brands.\textsuperscript{79} It has been noted that ‘whilst many disagree with the use and sale of tobacco, this is not the issue here, nor should the nature of the product dictate the outcome of an intellectual property analysis’.\textsuperscript{80}

I believe this argument is flawed. The nature of the product is relevant and in certain circumstances may influence the outcome of IP analyses, especially when it comes to trademarks, designs and patents.\textsuperscript{81} For instance, as we have seen,\textsuperscript{82} when a trademark office rejects an application, or when a court invalidates a registration, on deceptiveness grounds, the said office or court does so because it has taken into consideration the nature of the goods upon which the sign in question must be placed. In several circumstances, therefore, trademarks and the products upon which they are affixed cannot be considered as separate entities.

Thus, my point is that the harmfulness of products is relevant – and public authorities reserve the right to adopt measures aimed at discouraging the consumption of such products by curbing the deceptive and promotional elements of their brands. Trademark owners cannot challenge these measures by invoking (non-existent) positive rights or legitimate interests in the use of their sign.

Take the example of cannabis. If states want to legalize the consumption of cannabis (and there are several governments which have already done so, or are currently discussing this legislative option), they may also want to prevent marijuana and hashish manufacturers and distributors from using colourful and eye-catching brands to promote their consumption and thereby protect consumers’ health.\textsuperscript{83} Should we allow cannabis growers and distributors to prevent these states from pursuing this legitimate public interest by permitting them to claim a positive right to use trademarks? My answer is no, and therefore specific measures aimed at neutralizing the promotional effect of brands (especially in connection with harmful products) should be welcomed, even in those jurisdictions which have embraced a positive rights approach.\textsuperscript{84}

**The privilege to use a sign**

We have seen that trademark registrations do not confer on their owners a positive right to use the sign. Mark Davison and Patrick Emerton interestingly argue, by building upon the concepts developed by Wesley Hohfeld,\textsuperscript{85} that trademark owners only enjoy a privilege of using their trademarks, which is different from a right to use it.\textsuperscript{86} A privilege – Davison and Emerton explain – is not a right in its strict sense. It is just a legal permission to engage in conduct. In the absence of trademark legislation – the argument goes – any person would have the privilege of using a sign.\textsuperscript{87} That is why registrations are granted, namely in order to offer exclusive rights to prevent third parties from exploiting the brand, as well as to restrict the privilege to use a trademark. Yet, privileges may be defeasible: in other words they may be taken away by public authorities when it comes to pursuing public interests.\textsuperscript{88}

The regulatory measures highlighted in this volume appear to be good examples of cases where public authorities lawfully defeat the privileges of certain manufacturers to fully use their signs on packaging. In these circumstances governments’ interests in preventing or restricting

\textsuperscript{79} This debate is of course not extendable to pharmaceutical products and their brands, whose consumption is usually life-enhancing.

\textsuperscript{80} Gervais (n. 6 above) 33.

\textsuperscript{81} Copyright is an exception as copyrightable works do need to be registered – and protection is granted regardless of the content and the modalities of creation of works. This is not the case of trademarks, designs and inventions which in most jurisdictions can be excluded from protection if the subject matter is immoral, scandalous or contrary to public policy – and such assessment is often carried out by taking into account the product incorporating the intangible asset.

\textsuperscript{82} See above the subsection ‘Registration versus use’.

\textsuperscript{83} See also Davison (n. 41 above) 168 (mentioning similar examples).

\textsuperscript{84} As shown above in the section entitled ‘The alleged “spirit” of TRIPS and Paris’, even a country that passes trademark statutes envisaging a positive right to use signs is able to prohibit or restrict the use of the marks when adopting legislative measures in the public interest.


\textsuperscript{86} Davison and Emerton (n. 16 above) 517ff. See also Marsoof (n. 22 above) 204 (noting that ‘the right to exclude incorporated in article 16 of TRIPs gives effect to, and protects, a privilege that a trademark owner would usually enjoy in the use of its mark’).

\textsuperscript{87} A reference to the Hohfeldian theory can also be found in Marsoof, this volume, Chapter 7 at 000.

\textsuperscript{88} Davison and Emerton (n. 16 above) 533.
the use of brands which promote the consumption of harmful products or convey deceptive and confusing messages about their characteristics and health consequences, namely legitimate public interests, outweigh the privilege to fully use those signs.\textsuperscript{89}

**Article 20 TRIPS**

Article 20 TRIPS Agreement is an important provision for the present analysis as it deals with use of trademarks. It states that:

the use of a trademark in the course of trade shall not be unjustifiably encumbered by special requirements, such as use with another trademark, use in a special form or use in a manner detrimental to its capability to distinguish the goods or services of one undertaking from those of other undertakings.

In his chapter Mark Davison (this volume, Chapter 6) also expands on the intriguing issues revolving around Article 20 and its possible application to plain packaging.\textsuperscript{90}

It has been noted that this provision would imply a positive right to use a trademark ‘because otherwise there would be no need to cabin the power of WTO Members to “encumber” such use’.\textsuperscript{91} It would follow that Article 20 would represent a big obstacle for governments that wish to prohibit or restrict the use of brands.

First (and again), this argument seems flawed for the reasons highlighted above (in the section entitled ‘The alleged “spirit” of international trademark law’). The view that Article 20 does not create a right to use\textsuperscript{92} is further reinforced by the legislative practice of many countries in the specific field of tobacco. In recent years, several states have indeed imposed tobacco advertising restrictions which limit the ability of manufacturers to fully use tobacco brands. As has been rightly argued,\textsuperscript{93} such a practice constitutes ‘subsequent practice in the application of the treaty which establishes the agreement of the parties regarding its interpretation’ (Article 31(3)(b) of the Vienna Convention on the Laws of Treaties)\textsuperscript{94} and is therefore relevant to an interpretation of Article 20 TRIPS. This practice should therefore lend weight to an interpretation of this provision which does not imply any positive right to use a trademark. After all, no one has ever formally complained by arguing that tobacco advertising restrictions curtail an implied right to use brands.

It is important to stress that Article 20 does not ban a complete prohibition on the use of trademarks, but just (unjustifiable) positive encumbrances, namely the ability of governments to mandate specific requirements about how to use brands.\textsuperscript{95} The three examples referred to in Article 20 (i.e. use with another trademark, use in a special form or use in a manner detrimental to its capability to distinguish the goods or services of one undertaking from those of other undertakings)\textsuperscript{96} confirms this interpretation as they all refer to actual use of brands.\textsuperscript{97} A typical example of unjustifiable positive encumbrance, which Article 20 prohibits, is an obligation on foreign owners to use their brands together with the signs of local licensees.\textsuperscript{98} According to this interpretation of the TRIPS provision, total bans on the use of trademarks are lawful, as such measures do not provide any positive encumbrance on the use of brands (e.g. the prohibition to use non-word signs triggered by the plain packaging by Australia, Ireland and UK; the ban on

\textsuperscript{89} Ibid. 565.

\textsuperscript{90} Davison, this volume, Chapter 6 at 000.


\textsuperscript{92} Nuno Pires de Carvalho, ‘The TRIPS Regime of Trademarks and Designs: Comment to Article 20 TRIPS’ (Kluwer 2011) 417 (noting that Article 20 does not ‘provide, explicitly or implicitly, that WTO Members are obliged to recognize the right to use trademarks, even if the commercialization of goods is permitted’).

\textsuperscript{93} McGrady (n. 24 above) 62.

\textsuperscript{94} The Vienna Convention was adopted on 22 May 1969 and entered into force in 1980.

\textsuperscript{95} McGrady (n. 24 above) 62 (noting that Article 20 TRIPS prohibits measures that govern how brands may be used, but not measures which govern when and where trademarks can be used).

\textsuperscript{96} The way Article 20 is structured makes it clear that positive encumbrances which reduce the distinctive character of brands are allowed, provided that they are justifiable. See Carvalho (n. 92 above) 442 (noting that ‘Article 20 goes as far as admitting, where justifiable (by public policy concerns), requirements concerning the use of trademarks “that are detrimental to [their] capability to distinguish the goods or services of one undertaking from those of other undertakings”’).

\textsuperscript{97} Davison (n. 41 above) 162.

\textsuperscript{98} Before TRIPS some developing countries, including Brazil, Mexico and India, sought to strengthen the contractual power of local licensees towards foreign partners and requested that the licensed trademark be used together with the sign used by the former. Such measures now would not be permitted under Article 20 TRIPS.
the use of different colours and descriptors on cigarettes packs adopted by Uruguay; the Australian proposal to prohibit the use of the same brand for different drugs; and the South-African ban on the use of baby-related logos on infant formula packaging). Basically, they are not regulated (and therefore prohibited) by Article 20.99

What about positive encumbrances on the use of trademarks triggered by the imposition of large health warnings on tobacco, alcohol and food packaging? These measures are indeed encumbrances on the use of trademarks as the space for affixing brands is reduced. The same holds true for the plain packaging of cigarettes which dictates a much reduced, standard and neutral font for word trademarks as well as the Australian proposal to compel pharmaceutical companies to indicate active ingredients on a significant part of the packaging of medicines with equal prominence to the brand name. Are such encumbrances ‘justifiable’ and therefore allowed by Article 20 TRIPS? I believe so. They are justifiable as they aim to promote public health.100 In other words, ‘justifiability’ here refers to the legitimate interests of governments to protect a public interest by encumbering the promotional and deceptive use of brands in connection with unhealthy products,101 or, in the case of pharmaceuticals, a use of the trademark which may confuse patients about the correct dose of the active ingredients.

What Article 20 entails is basically a balancing exercise between various interests and rights, including interests of trademark owners in using their signs for distinctive purposes and the right of governments to prevent uses of brands which mislead consumers (about characteristics of the products and health consequences) as well as promote harmful products.102 And it seems that the measures in question guarantee a justifiable balance between curtailing such uses to protect public health (a government’s right) and allowing the differentiation of the goods in question.103 For example, we have seen that, after the adoption of the regulatory measures at issue, trademark owners can still use their word signs on packs, although in a standardized format (e.g. in the case of plain packaging of tobacco products), or even their original brands, although in a reduced area of the packaging, to distinguish their products (in the case of mandatory health warnings on tobacco, alcohol and foodstuff packaging as well as the Australian proposal to compel medicines’ producers to indicate active ingredients on a significant part of the packaging).

Conclusion
This chapter argued that under the TRIPS Agreement and the Paris Convention trademark registrations do not offer a positive right to use the sign, but just a negative right to prevent third parties from exploiting the brand.

This entails that the use of brands and other registrable packaging elements can be prohibited or restricted by public authorities to further public interests, in particular to protect consumers’ health. The opposing argument focused on an alleged purposive interpretation of international trademark provisions (which suggests that a trademark registration would generate a right to use) should be rejected. After all, the WTO Panel in EC – Trademarks and Geographical Indications already established that registrations offer just negative rights to use the brand105 and it is therefore likely that the WTO Panel’s decision in the disputes brought against Australian legislation on plain packaging may reiterate such a stance.

99 Carvalho (n. 92 above) 441, fn 975 (noting that the use of brands may be suppressed by governments).
100 See also ibid. 441–42 (arguing that the imposition of health warnings and notices on the risk of consumption of harmful products, size and colours of letters and characters of brands are to be considered justifiable under Article 20 TRIPS).
101 Davison and Emerton (n. 16 above) 566. See also Davison, this volume, Chapter 6 at 000 (noting that the onus of proof is on the complainant to show that a measure is unjustifiable).
102 Davison and Emerton (n. 16 above) 567.
103 Davison (n. 75 above) 142.
104 As far as tobacco-related measures are concerned, see again the CJEU’s decision on the ban on the use on the pack of descriptors such as ‘mild’, ‘light’, ‘ultra-light’ and ‘low-tar’ in the proceedings involving the 2001 Tobacco Products Directive. As we have seen, in that ruling the court basically held that the prohibition in question is proportionate to the aim pursued (i.e. reducing tobacco consumption) as manufacturers can keep using other distinctive signs on the packs: see Case C-491/01 The Queen v Secretary of State for Health (n. 69 above) para. 152.
105 See above the section entitled ‘Trademark registrations provide only “negative” rights’ and n 9 above.