TRADEMARK RESTRICTIONS AS INSTRUMENTS OF PUBLIC HEALTH RETRENCHMENT

PATRICIA L. JUDD

ABSTRACT

This Article argues that recent global efforts to protect public health and welfare by restricting trademark rights in certain product sectors may be misguided, destructive, and dangerous. The reasoning behind most of these restrictions is that trademarks lure consumers into buying products, such as tobacco, infant formula, junk food, and others, perceived to be at odds with public health goals. Unfortunately, these trademark-restrictive measures largely ignore the role of trademark rights in channeling resources to prevent dangerous counterfeit products from entering the marketplace, implicating the domestic enforcement obligations of the states implementing them. By restricting the exercise of trademark rights by those who are best situated to combat counterfeiting, public health measures such as trademark restrictive plain packaging rules often undermine the public health goals they mean to protect. This undermining effect is especially pernicious in those markets restricting trademark rights in goods, such as infant formula, that have societally beneficial qualities. This Article calls on countries considering trademark restrictive plain packaging rules on infant formula to contemplate the full panoply of consequences arising from restrictions to trademark rights. To the extent that trademark holders are abusing those rights, measures more targeted

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to those abuses are a better solution than blanket restrictions on trademark use.
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INTRODUCTION

Longstanding battles over intellectual property rights (IPR) protection and public health have moved to a new arena in recent years. In addition to the ongoing debates about patent rights and access to medicines, trademark rights have become a new focal point for those wishing to curb IPR excesses in the name of public health. Specifically, allegations of abuses by market-dominant trademark holders in certain industry sectors have given rise to domestically legislated restrictions on trademark use. Most famously, these restrictions have prescribed carefully the marketing, advertising, and packaging décor used by tobacco companies in promoting their products. A number of countries have passed this sort of “plain packaging” legislation, proscribing use of stylized promotional materials or brand names on cigarette packages. Of course, the goal of this sort of legislation is to promote public health by limiting the attractiveness of cigarettes to would-be users. Recently, several countries have extended plain packaging

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1 See generally TRIPS and Public Health, WORLD TRADE ORG., https://www.wto.org/english/tratop_e/trips_e/pharmpatent_e.htm [https://perma.cc/FK5U-8QNW] (last visited June 12, 2023) (recounting the many ongoing discussions about access to medicines and the potential intellectual property-related barriers to such access).


3 See, e.g., Tobacco Plain Packaging Act 2011 (Cth) (Austl.) (arguably the most prominent among many domestic plain packaging laws, and the law subject to many of the international dispute resolution cases on the matter).

4 Id. ch 2 pt 2 div 1 ss 18-25 (Austl.).


6 See, e.g., Tobacco Plain Packaging Act 2011 (Cth) ch 1 pt 1 s 3 (Austl.).
legislation beyond tobacco products, covering also alcohol, junk food, pharmaceuticals, and even infant formula.

These public health measures have been hailed by some in the international community as incredibly beneficial. After all, promoting public health is a laudable goal. Almost everyone agrees that smoking is bad for a person. States likewise want to curb alcohol abuse and addiction, promote healthy eating, make pharmaceuticals accessible, and promote breastfeeding. All of these are desirable outcomes, and any regulatory mechanism that brings a society closer to those aims is likely to prove beneficial.

However, plain packaging regulations have a downside that has widely been ignored. Plain packaging regulations restricting use of trademarks hinder the abilities of rights holders to police the marketplace, thus opening the doors wide for dangerous and destructive counterfeit products. By taking away the most important tools that trademark owners use to guard against counterfeiting, plain packaging rules affecting trademark use undermine both the fundamental purposes of trademark law and the public health goals that they seek to promote.

The purpose of granting trademark protection is to protect consumers against deception, confusion, and high transaction costs by channeling the resources of trademark owners—those best equipped to ferret out counterfeits—to police the marketplace on behalf of their consumers. By ignoring this fundamental purpose, plain packaging legislation affecting trademark use pits trademark owners against the very consumers their rights are designed to protect, benefitting no one. When the trademark owners are couched as enemies, society loses for several reasons.

Ironically, Indonesia—the principal challenger to Australia’s tobacco plain packaging law—is leading the way in considerations of plain packaging laws for alcohol.


See, e.g., Rafael Correa Delgado, Presidente Constitucional de la República: Decreto No. 522 (Ecuador).

See supra note 5 and accompanying text.

See, e.g., Halabi, supra note 2, at 47-52.

First, weak use of trademarks opens the door to counterfeiting, which in turn undermines the stated public health goals much more extensively than proper trademark use. What is worse for smokers than regulated tobacco? Unregulated tobacco. What is far worse for babies than infant formula? Fake infant formula. By restricting trademark rights to regulated companies, states open the door to counterfeit producers who are not subject to the same accountability and regulatory mechanisms as regulated companies. This move thus endangers the very consumers regulators wish to protect and may put countries in violation of their IPR commitments under international agreements.

Second, painting trademark owners as enemies misses an opportunity. In most cases, states are working to achieve their stated public health goals through a variety of complementary measures, including education, outreach, and similar measures. To the extent that states wish for companies with resources to take a more active role in those outreach initiatives, who is better positioned to do just that than the trademark owners active in those fields? We see this example already with tobacco, with companies forced to engage in a certain level of anti-smoking educational efforts as part of their regulation. To the extent that state resources to engage in breastfeeding education are scarce, infant formula providers are among those best situated to partner in this effort. Plain packaging restrictions strip the trademark owners of valuable motivation to invest in the relevant markets, missing an opportunity to channel their resources into public health and education initiatives through less restrictive measures.

Finally, by reducing the number of players in a particular market sector, states drive up prices. This truth is especially potent in the infant formula debates, and this Article will focus on those debates

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15 See, e.g., The Tobacco and Related Products Regulations 2016, SI 2016/507, pt. 2 §§ 5-6 (UK).
for purposes of analysis. The blogosphere has produced a lot of rhetoric praising countries that are restricting marketing, packaging, and trademark use in infant formula, lauding the boon such efforts are to breastfeeding. Criticizing infant formula companies for marketing at all, these writers state that infant formula companies are “competing” with breastmilk. Couching formula companies as in competition with breastmilk risks falsely painting a complicated, personal subject as dichotomous. In many real ways—especially if public education is done right—infant formula is not competing with breastmilk. Infant formula companies are competing with each other, which drives down prices and gives consumers more options. Increasing the number of market participants is a good development.

Plain packaging legislation undermines the public health goal of promoting breastfeeding by: (1) hindering the use of trademarks as market and consumer protection devices, opening the door to counterfeiters and endangering babies; (2) missing an opportunity to put into place a less restrictive regulatory structure that could mandate or encourage use of trademark owners’ resources toward educational initiatives promoting public health goals; and (3) reducing the number of regulated market participants, thus driving up prices for those who genuinely cannot or choose not to breastfeed. One cannot ignore the fact that, no matter what regulatory structure states implement, and no matter what educational efforts or circumstantial support a country initiates,

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18 One cannot ignore the fact that breastfeeding is difficult and requires a lot of training and support. Lay community support may be available in some quarters, but often some expert intervention is needed. One sees this sort of need in the teams of lactation consultants and doulas at work in the developed world. Putting resources toward making these types of experts available to new mothers is a
there will be a sizeable subset of mothers in that country who cannot or will not breastfeed. These mothers need viable alternatives for their children, and the state has a compelling public interest in ensuring that they have one. States choosing to undermine trademark holders in this sector in turn undermine this compelling public interest.

This Article explores the juxtaposition of states’ articulated public health goals implementing plain packaging legislation with the actual effects of such legislation, with a specific focus on the infant food sector. I argue that regulatory structures aimed at plain packaging should take into account the particularities of the sectors they are targeting, and that states should not employ a one-size-fits-all model to plain packaging rules. In some sectors, by restricting the resources available to trademark owners—or, worse, driving those mark holders out of the market altogether—states undermine a key component of the very public health objectives they wish to promote. This phenomenon is especially pernicious in sectors where (a) legitimate public health objectives straddle both sides of the debate; and (b) counterfeit products pose a significant public health risk by escaping regulation by the state. With respect to the infant food sector in particular, plain packaging regulations affecting trademark use should be reconsidered as detrimental to the goal of infant health. To the extent that infant formula producers are engaging in unsavory marketing practices, such practices can be regulated and curbed without affecting trademark use. The answer is not to undermine the societally beneficial purposes that their products do have, thereby undermining infant health.

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19 Solomon, supra note 17.

20 The focus on infant foods stems from a variety of factors to be explained later in the Article. Analyses of some of the other sectors will follow in forthcoming articles.

21 Examples of this include mandatory warnings, restrictions on marketing channels, mandatory educational efforts, and voluntary practices that channel large company resources into the community education and support efforts that are most needed.
I. LEGAL AND INSTITUTIONAL CONTEXT

In order to understand the context in which these marketing and trademark restrictions arise, and how they fit into the international regulatory landscape on intellectual property law, some background is useful. The debates about protecting trademarks, especially in sectors relevant to public health, tap into a larger and longstanding conversation about international intellectual property rights and economic development.

There has long been a perception that discussions about protection of intellectual property rights in the international arena track development lines, with more developed states arguing (typically) for more robust protection, while less developed states are in favor of more measured protection. The reasons for this phenomenon are somewhat obvious. Developed countries produce more products protected by typical intellectual property models, they have more robust enforcement goals and resources, and they stand to lose from a global marketplace in which protection is not rigorous. Developing countries, on the other hand, have fewer lucrative IPR-driven industries, have fewer enforcement resources, and stand to gain from more flexibility in implementing and enforcing IPR protections in their territories.

These statements are overgeneralizations, of course, but ring true in the repeated positions taken by member states within the World Intellectual Property Organization (WIPO) and the World Trade Organization (WTO). The WTO’s Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) provides a number of “flexibilities” that allow member states discretion in implementing the Agreement’s provisions in sectors affecting public health. This discretion is a nod to sovereignty concerns —

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24 Id. at 320.
27 Indeed, TRIPS starts off with a direct nod to such sovereignty in its first article: “Members shall be free to determine the appropriate method of
states need to take the measures they feel are necessary to keep their populaces healthy. TRIPS Article 7, dealing with the marriage between IPR protection and technological development, specifically mentions that IPR rights and obligations should operate “in a manner conducive to social and economic welfare.” Article 8, in turn, deals directly with public health and welfare goals, as well as abuses of intellectual property rights by owners. Articles 66 and 67 oblige developed states to promote technology transfer and provide technological assistance to developing countries. Other flexibilities inure within the substantive obligation sections of TRIPS.

There has been an increasing call for developing countries in particular to use these “flexibilities” to push back on what is perceived to be IPR maximalism in the WTO. Given that the TRIPS
provisions on public health and welfare grant arguably the greatest scope of discretion to WTO members in implementing IPR obligations domestically, public health and welfare measures are a natural area for pushback. The WTO’s ongoing commitment to address development issues as part of its agenda, and the United Nations’ Millennium Development Goals, which have become a part of the larger discussion on IPR and development, bolster these provisions further.

As I have argued elsewhere, however, WTO members have traditionally underutilized the TRIPS flexibilities, including those that pertain to public health measures. Instead, as a number of other scholars have recently documented, developing countries are seeking solutions outside the traditional IPR fora of WIPO and the WTO, using other initiatives and agreements to push back on what they perceive to be either IPR overreach by developed countries or stagnation in the traditional fora. One can hardly blame them, as neither the WTO nor WIPO has proven to be a model of efficient problem-solving. However, as I have argued previously, the decision to address public health measures in alternate fora carries its own dangers, including lack of buy-in, lack of enforcement, and exploitation of local plants and medicines, as well as traditional know-how, through the patenting of life forms.

Indeed, public health exceptions remain perhaps the single biggest possible carve-outs to the IPR protections mandated by the WTO’s Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). TRIPS, supra note 26.


The United Nations, in 2000, set forth eight Millennium Development Goals to be achieved by 2015. These include (1) eradicate extreme poverty and hunger; (2) achieve universal primary education; (3) promote gender equality and empower women; (4) reduce child mortality; (5) improve maternal health; (6) combat HIV/AIDS, malaria, and other diseases; (7) ensure environmental sustainability; and (8) develop a global partnership for development. See G.A. Res. 55/2 (Sept. 18, 2000).


Halabi, supra note 2.

Note, for example, that discussions surrounding a solution under the TRIPS Agreement permitting third party production of pharmaceuticals for least developed country markets took nearly fifteen years to take effect, though it was agreed upon by all parties. For a general discussion of the underperformance of the TRIPS Agreement, see Patricia L. Judd, The TRIPS Balloon Effect, 46 N.Y.U. J. INT’L L. & POL. 471 (2014).
contribution to a fractured approach to international IPR regulation that is unhelpful in the long term.\textsuperscript{39}

The most longstanding manifestation of the perceived conflict between intellectual property rights and public health and welfare comes in the patent arena—the ongoing debates about the prices of pharmaceuticals and the perception that patent law is responsible for denying needed medicines to sick persons, especially in poor countries.\textsuperscript{40} However, we are starting to see a new front open up in the war between IPR and public health—the trademark front.

II. THE PLAIN PACKAGING DEBATES

From this showdown of transnational IPR protections and public health measures emerges a trademark-centered debate about the marketing practices of manufacturers of certain products. With the stated goal of educating and protecting a vulnerable populace, several countries have restricted use of certain attributes in packaging and advertising of certain goods deemed to be contrary to public health.\textsuperscript{41} In other words, countries implement “plain packaging” rules, disallowing the use of particular designs, logos, and perhaps even brand names, on products.\textsuperscript{42}

Plain packaging is just what it sounds like—mandating that manufacturers market their products in packaging with little to no

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\textsuperscript{40} The WTO website provides an overview of the concerns about patents and pharmaceuticals as part of its coverage of TRIPS and Public Health. See \textit{TRIPS and Public Health}, WORLD TRADE ORG., https://www.wto.org/english/tratop_e/trips_e/pharmpatent_e.htm [https://perma.cc/VU73-8AE6].

\textsuperscript{41} See, e.g., \textit{Tobacco Plain Packaging Act 2011} (Cth) ch 2 pt 2 div 1 ss 18-25 (Austl.).

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extraneous matter on it.\textsuperscript{43} National laws differ; some mandate a plain package with block letters.\textsuperscript{44} Others mandate additional, non-marketing material such as medical information. \textsuperscript{45} Others may restrict the use of brand names altogether.\textsuperscript{46}

The rationale behind these rules is that manufacturers choose designs, logos, and brand names specifically to lure consumers into buying their product.\textsuperscript{47} Thus, without those designs, consumers are less tempted by those products, and theoretically will buy fewer of them, furthering whatever public health goal the product seems to undermine. \textsuperscript{48} Furthermore, the countries implementing plain packaging measures claim that the measures are necessary to counter abusive practices and aggressive marketing techniques employed by trademark holders.\textsuperscript{49}

The most famous plain packaging debates center around tobacco products. There is widespread agreement, of course, that tobacco products are bad for humans, and the reasoning behind plain packaging laws regarding tobacco is that countries should curb practices that make smoking look more appealing or that minimize the detrimental health effects of smoking.\textsuperscript{50} Recent legislation and discussion center around the expansion of plain packaging laws beyond the tobacco context into other commercial sectors with a public health impact.\textsuperscript{51} The two most widely debated sectors at the moment are infant formula and junk food.\textsuperscript{52}

\begin{itemize}
\item \textsuperscript{43} Frankel & Gervais, supra note 42, at 1149-50.
\item \textsuperscript{44} See, e.g., Tobacco Plain Packaging Act 2011 (Cth) ch 2 pt 2 div 1 (Austl.).
\item \textsuperscript{45} See, e.g., id.
\item \textsuperscript{46} Id.
\item \textsuperscript{47} Australia’s Executive Summary, supra note 14, ¶¶ 26, 28.
\item \textsuperscript{48} Id. ¶ 34.
\item \textsuperscript{49} Id. ¶ 68.
\item \textsuperscript{50} Id. ¶ 7-9.
\item \textsuperscript{51} The most widely discussed sectors include infant formula, junk food, alcohol, and pharmaceuticals. See, e.g., Commission Directive 2006/141/EC, 2006 O.J. (L 401); Law No. 20606, On the Nutrient Composition of Food and Its Advertising, Department of Public Health, Ministry of Health, Julio 6, 2012, DIARIO OFICIAL [D.O.] (Chile) (governing foodstuffs).
\item \textsuperscript{52} See generally Int’l Trademark Ass’n, supra note 8 (discussing plain packaging legislation proposals in Latin America).
\end{itemize}
Plain packaging laws are designed to accomplish a couple of different goals. First, they are designed to keep manufacturers from using point-of-sale advertising (the packaging) to make their products more appealing to vulnerable consumers. 53 This is especially salient when products target a young, uneducated, impressionable, or illiterate population. Second, plain packaging laws are designed to complement other legal restrictions or requirements pertaining to packaging, namely health warnings. The idea is that a state does not want to allow a manufacturer to minimize the effectiveness of a required health warning by burying it in colorful, distracting packaging. 55

No matter the product sector to which plain packaging laws apply, they have one aim: to influence consumer behavior. Specifically, plain packaging laws seek to counter the perceived effects of trademark owners’ behaviors in encouraging purchase of a particular product. In the case of tobacco, the argument is that tobacco manufacturers wish to sell as much tobacco as possible, and therefore they manipulate vulnerable customers (including minors) into purchasing tobacco products. 57 These purchases ultimately lead to addiction in many cases, which in turn leads to further sales. This phenomenon exists in marketing and advertising all products and is not in and of itself a sinister practice. However, the damning allegations against the tobacco companies include knowledge of the extreme health hazards of the product and specific attempts to mitigate concerns about the product among consumers by minimizing those health hazards or hiding them altogether. 58

In the other sectors, the allegations are not so sinister, as the products themselves are not quite so dangerous. 59 In the infant formula sector, one of the concerns is that infant formula provides a

53 Tobacco Plain Packaging Act 2011 (Cth) ch 1 pt 1 s 3 (Austl); Frankel & Gervais, supra note 42, at 1160.
54 Id.
55 Id.
56 Id. at 1160-61.
57 See id.
58 See generally Puig, supra note 42 (describing how tobacco companies battled against lawsuits in international courts about the health hazard their products cause).
59 Alcohol may be an exception to this statement.
too-easy substitute to breastfeeding. In truth, breastfeeding is often rather difficult. In states unable to provide new mothers with the support they may need in order to breastfeed successfully, infant formula may be seen as an easy out. Furthermore, the allegation against infant formula producers marketing in developing countries is that they are irresponsibly marketing their products to parents in areas in which they know the water is dangerous. Parents mix the formula powder with unsafe water, resulting in sickness.

With regard to the junk food sector, the allegation is simply that junk food manufacturers market their products to a populace that does not understand the long-term health ramifications of eating poorly. The implication is that these manufacturers are acting irresponsibly by selling to populations that otherwise likely would eat healthier, unprocessed, less-sugary foods.

In all the sectors, states claim that trademark holders are abusing their rights—using their trademark rights to put local populations in danger. This sort of trademark overreaching, or irresponsible marketing, gives rise to the argument that states are justified in restricting otherwise valid rights in the name of preserving public health.

b. The Tobacco Cases

By far the most common set of plain packaging laws applies to tobacco products. These laws range in scope from outlawing colorful packaging to restricting use of trademarks to requiring affirmative messaging about the dangers of the product. To date, all of the international litigation concerning plain packaging measures has centered around restrictions pertaining to tobacco products.

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61 See id. at 10.
62 See generally Int’l Trademark Ass’n, supra note 8 (discussing how the public health community has called for extending plain packaging laws, which reduce consumer deception, to sugary foods and drinks).
63 See generally id.
64 Tobacco Plain Packaging Act 2011 (Cth) ch 2 pt 2 div 1 ss 18-22 (Austl.).
65 Id.
66 Id.
products. This Section, while not an exhaustive treatment of the tobacco issues, gives a brief overview of the regulations surrounding tobacco products and the international litigation ensuing.

i. Domestic Regulatory Measures Concerning Tobacco Products: The Australia Example

A number of states are taking earnest measures to try to combat the detrimental effects of smoking on their populations. These measures range from educational efforts to packaging requirements to prohibitions on marketing practices to restrictions on trademark use. While all of these measures are important in their synergies, this analysis will focus on the last one, which is arguably a violation of states’ obligations under international trademark agreements. The violation is tempered by language in the agreements that allows states to make exceptions to legal obligations for public health purposes. The litigation over the tobacco measures centers around the applicability of these exceptions.

In 2011, Australia passed the Tobacco Plain Packaging Act (Australian Act), which aims to discourage smoking by “regulating the retail packaging and appearance of tobacco products.” In order to accomplish its goals, the Australian Act contains a number of restrictions applicable to the packaging of tobacco products. These include (a) prohibiting any decorative

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67 For a terrific overview of the different international agreements and tribunals on which this litigation has been centered, see generally Puig, supra note 42, tracing the history of tobacco litigation before international courts and discussing legal arguments utilized to defend tobacco interests.


70 TRIPS, supra note 26, arts. 8, 31, 31bis.

71 Tobacco Plain Packaging Act 2011 (Cth) (Austl.).

72 Id. ch 1 pt 1 s 3.
feature on the packaging; (b) limiting colors used in the packaging; (c) requiring that any wrappers are transparent and unremarkable; (d) prohibiting inserts; (e) prohibiting use of noises or scents in packaging; and (f) prohibiting any features of the packaging that have the means to change after sale.

Most importantly for this analysis, the Australian Act prohibits trademarks on tobacco packaging except under strictly prescribed circumstances, regulating how many times the mark can appear on the packaging, where it can appear on the packaging, and in what form it can appear. Furthermore, marks are limited to names of companies or names for variants, excluding pictures, logos, or other decorative marks, and marks may not appear on the products themselves (as opposed to the packaging).

The Act creates legal liability not only for manufacturers of tobacco products, but also packagers, retailers, and some purchasers. The law contains an exception for products intended for export. The Act provides for extensive civil liability and provides sweeping enforcement powers to the state.

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73 Id. ch 2 pt 2 div 1 s 18.
74 Id. s 19.
75 Id. s 22.
76 Id. s 23.
77 Id. s 24.
78 These include heat-activated inks, inks that change over time, scratch panels, removable tabs, or fold out panels. Id. s 25.
79 Id. ss 20-21.
80 Id. s 20.
81 Id. ch 2 pt 2 div 2 s 26.
82 Id. ch 3 pt 2 div 1 ss 34-35.
83 Id. s 33.
84 Id. s 31.
85 Id. s 32. Note that this liability does not apply to an individual who purchases the product for personal use.
86 Id. ch 3 pt 4 ss 49.
87 Id. ch 5 pt 2 ss 85-91.
88 These include liberal searching and interrogation powers, evidence production requirements, seizure powers, and more. Id. ch 4 pt 2 ss 52-80.
ii. Legal Challenges to Such Measures: The WTO Example

Australia’s regulatory structure for tobacco has been the target of a number of different legal challenges in various international regulatory systems. For purposes of the present analysis, this Article will focus on the challenge in the World Trade Organization’s Dispute Settlement Body (DSB), as it is representative of the arguments made in the different fora.

Several WTO members challenged Australia’s 2011 law under the TRIPS Agreement, the Agreement on Technical Barriers to Trade (TBT Agreement), and the General Agreement on Tariffs and Trade (GATT 1994). Ukraine initially challenged the law in a case that has since been dropped. Indonesia, Honduras, the

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89 Puig, supra note 42, at 383, 410-12.
91 See Puig, supra note 42, at 403. Note that other cases have been brought in various investment arbitration fora, as well as the World Bank.
92 The irony of this case is that the defendant is a developed country with a reputation for pro-IPR positions in the international arena, while the challengers are developing countries. The Australian position, however, reflects a prototypical developing country stance on IPR, and developing countries can use Australia’s win at the WTO—if that win holds—as a model for future challenges to robust IPR protections that may get in the way of public health priorities.
93 See generally Agreement on Technical Barriers to Trade, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, 1868 U.N.T.S. 120 [hereinafter TBT Agreement] (containing some of the rules serving as base for the challenge).
95 Request for Consultations by Ukraine, Australia—Certain Measures Concerning Trademarks and Other Plain Packaging Requirements Applicable to Tobacco Products and Packaging, WTO Doc. WT/DS434/1 (Mar. 15, 2012).
96 Request for Consultations by Indonesia, Australia—Certain Measures Concerning Trademarks and Other Plain Packaging Requirements Applicable to Tobacco Products and Packaging, WTO Doc. WT/DS467/1 (Sept. 25, 2013).
97 Request for Consultations by Honduras, Australia—Certain Measures Concerning Trademarks and Other Plain Packaging Requirements Applicable to Tobacco Products and Packaging, WTO Doc. WT/DS435/1 (Apr. 10, 2012).
Dominican Republic, and Cuba all followed suit in a series of challenges that ultimately were consolidated into one set of panel procedures. A number of other WTO members joined as third parties or filed submissions. The WTO confirmed circulation to the parties of a confidential panel report in that consolidated series on May 2, 2017, with the report made public on June 28, 2018 and subsequently adopted by the WTO’s Dispute Settlement Body on June 29, 2020.

1. The Legal Provisions

To begin, it is helpful to get a sense of the main WTO agreements, and obligations therein, directly relevant to plain packaging measures. These are the obligations most cited in the filings surrounding the WTO tobacco plain packaging case.

The WTO agreements contain threshold requirements almost universally applicable. The first requirement is that member states treat foreign nationals at least as well as they treat their own citizens; this is called the “national treatment” principle. The second threshold requirement is that states treat all WTO members

98 Request for Consultations by the Dominican Republic, Australia – Certain Measures Concerning Trademarks and Other Plain Packaging Requirements Applicable to Tobacco Products and Packaging, WTO Doc. WT/DS441/1 (July 23, 2012).
99 Request for Consultations by Cuba, Australia – Certain Measures Concerning Trademarks and Other Plain Packaging Requirements Applicable to Tobacco Products and Packaging, WT/DS458/1 (May 7, 2013).
100 Procedural Agreement Between Australia and Ukraine, Honduras, the Dominican Republic, Cuba, and Indonesia, Australia – Certain Measures Concerning Trademarks and Other Plain Packaging Requirements Applicable to Tobacco Products and Packaging, WTO Doc. WT/DS434/12, WT/DS435/17, WT/DS441/16, WT/DS458/15, WT/DS467/16 (Apr. 28, 2014).
101 Third party members include Brazil, Canada, China, the European Union, Guatemala, India, Japan, Republic of Korea, Malaysia, Mexico, New Zealand, Nicaragua, Norway, Oman, Philippines, the Russian Federation, Chinese Taipei, Thailand, Turkey, the United States, Uruguay, Zimbabwe, Peru, Singapore, Argentina, Chile, Malawi, Nigeria, and Ecuador. Dispute Settlement, Australia – Certain Measures Concerning Trademarks, Geographical Indications and Other Plain Packaging Requirements Applicable to Tobacco Products and Packaging, WTO Doc. WT/DS467/23 (Aug. 28, 2018).
103 GATT, supra note 94, art. 3.4; TRIPS, supra note 26, art. 3.1.
equally—that they do not give preferential treatment to one WTO member over another; this is called the most-favored-nation (MFN) principle.\footnote{TRIPS, supra note 26, art. 4; TBT Agreement, supra note 93, art. 2.1.} Thus, if imported products are treated differently than domestic products, or if imported products from one state are treated differently than imported products from another state, one could face an allegation that such treatment runs afoul of the national treatment or MFN requirements.

Most of the WTO tobacco cases focus primarily on a few trademark provisions contained in the TRIPS Agreement.\footnote{While the case involves a number of different provisions in the trademark and geographical indications text, the analysis pertinent to this Article falls in Articles 15 and 20. TRIPS, supra note 26, arts. 15, 20.} Article 20, for instance, requires member states to avoid unjustifiable encumbrances on the use of a trademark, including requiring “use in a manner detrimental to its capability to distinguish the goods or services.”\footnote{TRIPS Article 20 reads in full: 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. This will not preclude a requirement prescribing the use of the trademark identifying the undertaking producing the goods or services along with, but without linking it to, the trademark distinguishing the specific goods or services in question of that undertaking. TRIPS, supra note 26, art. 20.} Article 15.4 of TRIPS, in turn, provides that members shall not condition registration of a trademark on the nature of the goods and services to which that mark is to be applied.\footnote{TRIPS Article 15.4 reads in full: “The nature of the goods or services to which a trademark is to be applied all in no case form an obstacle to registration of the trademark.” Id. art. 15.4.} Most of the allegations about plain packaging under TRIPS center on these two provisions, with the argument being that plain packaging rules are encumbrances detrimental to the capability of the trademarks to perform their distinguishing function and that, by implementing plain packaging rules in certain sectors only, states are conditioning registration on the nature of the goods and services to which the trademarks apply.\footnote{Australia’s Executive Summary, supra note 14.}

The other principal WTO agreement provision at issue in the tobacco cases is Article 2.2 of the Agreement on Technical Barriers to Trade.\footnote{TBT Agreement, supra note 93, art. 2.1.} This provision, dealing with technical regulations on
Trade, prohibits WTO members from using technical requirements to obstruct trade in a manner that is unnecessary. The provision gives some discretion to WTO members regarding “legitimate objectives,” but specifies that requirements in furtherance of those objectives should “not be more trade-restrictive than necessary.” The allegation with respect to plain packaging is that the regulations at issue are more trade-restrictive than necessary to achieve the states’ legitimate objectives.

2. The TRIPS Article 20 Challenge—“Unjustifiably Encumbered”

The main thrust of the challenge to Australia’s 2011 Act focused on TRIPS Article 20. That provision reads, in relevant part:

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.

While the parties ostensibly debated which uses of a trademark were relevant to the Article 20 obligation and whether the plain packaging laws at issue constituted a special requirement or an

110 Id., art. 2.2.
111 TBT Agreement Article 2.2 reads in full:

Members shall ensure that technical regulations are not prepared, adopted or applied with a view to or with the effect of creating unnecessary obstacles to international trade. For this purpose, technical regulations shall not be more trade-restrictive than necessary to fulfil a legitimate objective, taking account of the risks non-fulfilment would create. Such legitimate objectives are, inter alia: national security requirements; the prevention of deceptive practices; protection of human health or safety, animal or plant life or health, or the environment. In assessing such risks, relevant elements of consideration are, inter alia: available scientific and technical information, related processing technology or intended end-uses of products.

TBT Agreement, supra note 95, art 2.2.
112 Australia’s Executive Summary, supra note 14.
113 Id.
114 TRIPS, supra note 26, art. 20.
115 Australia’s Executive Summary, supra note 14, ¶¶ 71-78.
most of the argument seems to have come down to whether the restrictions in Australia’s law were “unjustifiable.” For purposes of this Article, “unjustifiable” is the most important term, as it is in that analysis that the argument for tobacco regulations differs from the argument for infant formula regulations.

While it is difficult to discern the precise arguments of those bringing the cases, Australia emphasized that “unjustifiable” means that the encumbrance “must be imposed in pursuit of a legitimate objective,” and that there must be a “nexus between the encumbrance imposed by the special requirements and [the state’s] legitimate objective, and this connection must be one that is rational or reasonable.” Australia tried in its submissions to refute any notion that “justifiable” meant “necessary,” or “least restrictive,” reciting as the standard that the “complainants must demonstrate that any encumbrance imposed by the measure is incapable of contributing to its objectives in order to discharge their burden of proof.” Australia argues further that since the complaining members have not proven that Australia’s plain packaging law is “incapable of contributing to its public health objectives related to smoking,” the measure does not violate TRIPS Article 20.

This “incapable of contributing” standard is a curious one. In proposing it, Australia attempts to foreclose the possibility that there could be some “weighing and balancing” in the analysis. In other words, Australia is arguing for a bright line rule. If any measure is even capable of contributing to a legitimate public health objective, the member has discretion to implement it without a concern about a TRIPS violation. Note that Australia’s stance includes a notion that there need not be any proof that the measure does contribute to the public health measure, only that it is capable of doing so.

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116 Id. ¶¶ 79-80.
117 Id. ¶¶ 81-110.
118 Id. ¶ 82 (emphasis in original).
119 Id. (citation omitted).
120 Id. ¶¶ 89-90.
121 Id. ¶ 85 (emphasis added).
122 Id. ¶¶ 87-88.
123 In fact, late in Australia’s summary, it notes the failure of the complaining parties to prove that they have lost one sale in the Australian market due to the plain packaging regulations and associated measures. Id. ¶ 141. While this could be an evidentiary issue for the complaining parties, it also implies that perhaps the Australian measures have not succeeded in diminishing sales of tobacco products.
The complaining parties initially argued that Australia’s plain packaging law may “backfire” or undermine the public health objective of reducing instances of smoking among the population.\(^\text{124}\) However, it appears that this argument was dropped by the complaining parties early in the process.\(^\text{125}\) This is too bad. It is unclear what the precise contours of that “undermining” argument were, but this Article submits that consideration of the effects of the measures on enforcement of trademark law in furtherance of public health objectives would have been appropriate. The utter paucity of discussions about the dangers of counterfeiting—even counterfeiting cigarettes—is disturbing. It is curious that the parties apparently failed to fully pursue a debate about the nexus between the measures being challenged and the ability of trademark holders and law enforcement officials to keep counterfeit products from flooding the market.

c. The Expansion of Plain Packaging Laws to Other Sectors

Tobacco is one thing, and states are admirable in their attempts to shield their populations from the one-sided hazard of smoking. Indeed, Australia, in its submissions to the WTO, pegged tobacco as “uniquely hazardous to human health.”\(^\text{126}\) So it is hard to argue much in favor of the tobacco companies. After all, if it is even possible that Australia could save human lives by implementing restrictions on a few rich companies, perhaps the chance is worth it. In other words, perhaps the public health interest is compelling enough in that case that even a weak nexus between the measures at issue and the public health interest justify the resulting restrictions, especially when states—like Australia—permit trademark use to allow undertakings to differentiate their products from others.\(^\text{127}\)

However, recent growth in plain packaging restrictions has seen their expansion beyond the tobacco context into other arenas. Other products subject to discussion and restriction in packaging and

\(^{124}\) Id. ¶¶ 85, 110.
\(^{125}\) Id.
\(^{126}\) Id. ¶ 103.
\(^{127}\) The diminished capacity of those altered marks to form the basis for enforcement actions, notwithstanding.
advertising include infant formula, “junk food,” alcohol, marijuana, and pharmaceuticals. Apart from the merits and demerits of putting plain packaging restrictions on tobacco products, it warrants consideration whether plain packaging rules are equally appropriate across sectors. What makes a sector an appropriate target for plain packaging restrictions? Since most recent discussion surrounding possible expansion of plain packaging laws has centered around infant formula, this Article will focus on that product line.

i. Infant Formula: The South Africa Example

Approximately thirty states have implemented restrictions on the labelling and marketing of infant formula. The reasoning behind such restrictions is states’ desires to promote breastfeeding. The concern is that mothers will choose formula over breastfeeding because (a) they don’t want to breastfeed; or (b) they are convinced by formula producers’ marketing campaigns that feeding an infant formula is superior to breastfeeding. Included in the concerns about marketing campaigns is packaging that shows pictures of fat, healthy babies, such as the Gerber® baby, which is a trademark. Some governments are concerned that an uneducated populace will see the Gerber® baby and will conclude that their babies, too, can look like that, if only those babies are fed using formula. The more legitimate public health concern about promotion of formula as an alternative to breastmilk is that formula

128 A major problem with “junk food” restrictions—unlike tobacco and infant formula—is that these restrictions will face definitional challenges. How do you define the scope of “junk food”? Where does the unacceptable give way to the acceptable when it comes to the public health goal of avoiding obesity?


130 See, e.g., Tobacco Plain Packaging Act 2011 (Cth) (Austl.); Foodstuffs, Cosmetics and Disinfectants Act 54 of 1972, Regulations Relating to Foodstuffs for Infants and Young Children (S. Afr.).

131 WHO CODE, supra note 60, at 10-12.

132 See generally id. (showing the concerns about marketing campaigns with healthy convincing people to buy formula).

133 See generally id. (introducing some governments’ worries over the issue of misinformation).
often requires mixing with water. In states in which clean, safe water is difficult to obtain, the need to mix formula with water can result in danger for infants.\footnote{134} 

As in the case of tobacco, irresponsible marketing of infant formula can be dangerous. Infant formula dangers seem especially pernicious, given that the victims of dangerous practices are babies. However, one should not overstate the parallels with tobacco. One cannot ignore (and yet critics of infant formula producers often do) the fact that infant formula is also a crucial component of states’ public health goals. Unlike tobacco, which, from a purely health-related perspective, is entirely expendable and highly detrimental, infant formula serves a vital public health purpose. No matter what the concerns are, formula is necessary. There are many babies who cannot be breastfed. They need to be fed somehow, and infant formula is the best alternative. Thus, states need to tread lightly in taking action adverse to infant formula producers. Those producers serve a compelling public health function worldwide.

South Africa’s Foodstuffs Regulations,\footnote{135} applying to all infant formula, prohibits “graphic representation,” save for drawings “necessary to show the correct method of preparing and using the product.”\footnote{136} The Regulations also prohibit the use of any logo that contains “a picture of an infant, young child or other humanized figure.”\footnote{137} The law also contains a variety of mandates as to the preparation and composition of infant formula,\footnote{138} representations that may or must be made on the product,\footnote{139} and other labelling requirements.\footnote{140} The law also limits advertising and promotional


\footnote{135}Foodstuffs, Cosmetics and Disinfectants Act 54 of 1972, Regulations Relating to Foodstuffs for Infants and Young Children (S. Afr.). South Africa’s law has been one of the most-discussed laws in this area and is emblematic of the debates surrounding plain packaging for infant formula. Thus, it will form the basis of our discussion of the subject.

\footnote{136}Id. art. 2(2).

\footnote{137}Id. art. 2(3).

\footnote{138}Id. art. 2(4)-2(19).

\footnote{139}Id. art. 2(4)-2(19).

\footnote{140}Id. arts. 3-6.
practices with respect to infant foodstuffs, especially in hospitals and medical clinics.141

Other similar laws abound, especially in European countries or those with historical or ongoing ties to Europe.142 While most of these laws are not as exacting or as limiting with respect to trademark use as the tobacco laws, they significantly limit a trademark holder’s ability to use her mark in these countries, and they do so based on the product to which the mark is applied.

**ii. Plain Packaging Restrictions in Other Sectors**

The ability of governments to impose plain packaging laws on products in other sectors in the name of public health is evident. Already, there is a trend—especially in Latin America—toward implementing advertising, trademark, and other packaging restrictions on junk food.143 This category deserves separate treatment due to its complicated nature. While encouraging healthful eating is admirable, countries also have to face a reality of food shortages and prices. Are countries prepared to argue that no food is better than unhealthy food? No doubt, food contributes to or causes a variety of health issues, including diabetes, hypertension, cancer, and other illnesses related to obesity. However, healthfulness is a spectrum, and who gets to decide which foods are “junk food” and which foods are not? Thus, this category is fraught with definitional problems.

Other substances about which plain packaging laws have been discussed include alcohol, marijuana, and pharmaceuticals. These sectors are beyond the scope of the current analysis, but some of the same arguments made with respect to infant formula in this Article may apply in these sectors as well.

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141 These limitations include blanket prohibitions on advertising, prohibitions on distribution of gift packs, distribution of free or low-cost samples, and displays in certain health care facilities. *Id.* arts. 7-10.
143 See generally Int’l Trademark Ass’n, *supra* note 8 (explaining several Latin American countries’ legislations and regulations on plain packaging).
III. CONCERNS WITH EXPANDING TRADEMARK RESTRICTIVE PLAIN PACKAGING LAWS BEYOND TOBACCO

The contrasts between the tobacco situation and the infant formula sectors are stark. Thus, this Section addresses the concerns about the trend toward expanding trademark restrictive plain packaging rules beyond the tobacco sector. It addresses the dual nature of infant formula as both detrimental to and supportive of public health, and thus counsels states to approach the trademark holders in that sector differently than they approach the tobacco companies.

a. Trademark Restrictive Plain Packaging Laws Undermine Trademark Theory

The typical IPR and public health narrative paints two goals—strong IPR protection and bolstering of public health—as antithetical to one another. Traditionally, that narrative has focused on patent protection, specifically in the pharmaceutical sector.144 In the context of pharmaceutical patents, that narrative makes a certain amount of sense. After all, patents provide a significant degree of market monopoly power, with the effects of stifling competition and driving up prices. Thus, there have been a number of pieces written on patent law’s supposedly deleterious effects on access to medicines.145 Patent law is designed with a certain quid pro quo in mind: you tell us how you did it and we promise not to copy it—even though we now can, thanks to your disclosure—for a certain amount of time.146 Patent law is designed to incentivize innovation.147 Patent law does not have an ongoing function with respect to a certain innovation or product. Once that product comes to market, and once the means for arriving at that product are

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145 See, e.g., id.
147 U.S. CONST. art. I, § 8, cl. 8 (“The Congress shall have power . . . to promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries . . . .”).
disclosed for the PHOSITA\textsuperscript{148} to build on (after the relevant monopoly time period is up, of course), patent law has served its function.

Not so with trademark law. The quid pro quo in trademark law is a bit different. The goal of trademark law is not to get smart people to disclose things. The goal of trademark law is to channel the resources of the mark holder into ensuring integrity of the marketplace for the benefit of consumers.\textsuperscript{149} Trademark law attempts to reduce transaction costs by streamlining the way products are marketed.\textsuperscript{150} Furthermore, trademark law legitimizes the marketplace by giving mark holders a tool through which to ensure that the goods reaching their customers under their names are indeed genuine.\textsuperscript{151} In so doing, trademark law incentivizes mark holders to police the marketplace.\textsuperscript{152} Ensuring that goods are genuine keeps their consumers happy and keeps them coming back for more, a process made easier by the reduction in transaction costs. This is an ongoing, iterative process. In other words, the incentives of trademark law are not discrete instances. They continue through the life of the product.

When states restrict or hinder the use of trademarks, consumers are the parties losing out. The goal of trademark law is to protect consumers, and adequate trademark protection plays a fundamental role in achieving that goal. When a state restricts the use of trademarks, it risks losing the trademark owners’ active engagement in the market, meaning the primary goal of trademark law—to channel trademark owners’ resources into market policing for the benefit of consumers—is not being served. By undermining the tool that trademark owners use to police the market most effectively, states hinder the very public health efforts they seek to promote.

\textsuperscript{148} PHOSITA is a term of art referring to a “person having ordinary skill in the art,” or the target audience for a patentee’s disclosures.

\textsuperscript{149} McCarthy, supra note 12, ch. 2.

\textsuperscript{150} Id.

\textsuperscript{151} Id.

\textsuperscript{152} Id.
b. Trademark Restrictive Plain Packaging Laws Fail to Adequately Address Enforcement Concerns

In their push to expand trademark restrictive plain packaging laws, many states have failed to consider adequately the ongoing nature of the trademark owner’s relationship with the public and the societal importance of enforcement against counterfeiting. Even in the Australia case, the parties failed to highlight the most pernicious concern about plain packaging regulations—they open the door to counterfeiters.

i. The Problem of Counterfeiting

Counterfeiting, generally defined as the commercial scale appropriation of someone else’s trademark, is a rampant global problem. Counterfeiting is a multi-billion dollar a year business, with ties to other illegal practices such as arms dealing, drug trafficking, human trafficking, and terrorism. Counterfeiters act without regard to the consequences of their actions, targeting not only luxury goods like handbags and watches, but also goods crucial to public health, such as pharmaceuticals, safety equipment, and foodstuffs. In virtually all cases, legitimate producers in these crucial sectors are subject to extensive, strict regulation of their


products to ensure compliance with consumer safety standards.\footnote{See, e.g., Federal Food, Drug, and Cosmetic Act, 21 U.S.C. § 301-399i (1938).} Counterfeitters, unfortunately, are not subject to the same oversight. Thus, especially in sectors pertaining to health, states must be incredibly vigilant in guarding against counterfeiting.

What is worse for public health than Phillip Morris® cigarettes? Fake Phillip Morris® cigarettes. What is far worse than Gerber® infant formula? Fake Gerber® infant formula. By ignoring the role of trademark owners in protecting the public against counterfeiting, states implementing plain packaging rules risk posing harms to their populations that may be much more destructive to their public health goals than legitimate goods.

The need for caution seems especially pronounced when it comes to infant foods. After all, young children are an incredibly vulnerable segment of the population, and should be immunized as much as possible from the pernicious forces out to make a profit in the world. The problem is that states have labelled the manufacturers of infant formula themselves pernicious forces out to make a profit, while ignoring the counterfeiters who in reality fit that description.\footnote{WHO CODE, supra note 60.} Infant formula counterfeiting made headlines ten years ago when several babies died in China as a result of tainted counterfeit formula.\footnote{Six babies died and thousands of others fell ill due to formula and milk tainted with melamine. China Removes 1,400 Baby Formula Products from Shelves, BLOOMBERG NEWS (Jan. 4, 2018), https://www.bloomberg.com/news/articles/2018-01-04/china-s-baby-formula-revamp-may-trigger-boom-for-nestle-danone [https://perma.cc/2WB7-7DWX].} But infant formula counterfeiting is not a thing of the past. News reports concerning Malaysia, China, and Australia report more recent issues with counterfeit infant formula.\footnote{See Fake Baby Milk Formula Scare Hits Malaysia, BBC NEWS (Dec. 14, 2017), http://www.bbc.com/news/business-42348254 [https://perma.cc/D8X2-GQ4A]; Matthew Theunissen, New Kiwi Software Intercepts Fake Infant Formula, NEW ZEALAND HERALD (Dec. 18, 2016), https://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=11769310 [https://perma.cc/895S-3RGV].}

As detailed above, trademarks play a crucial role in helping both legitimate manufacturers and law enforcement officials identify counterfeit goods and get them off the market. By hindering the use of trademarks, states undermine the very health goals they seek to promote and endanger their populations. These measures also may implicate the enforcement obligations these states have undertaken
in signing onto international IPR instruments, as detailed in the next Section.

**ii. Enforcement Provisions in International IPR Instruments**

Apart from the specific flexibilities aimed at public health objectives, TRIPS is virtually unique among international IPR instruments because it contains a number of obligations regarding domestic enforcement of intellectual property rights.¹⁵⁹ I have discussed these provisions at length in my earlier work,¹⁶⁰ but I will provide a brief overview of them here.

Article 41 of the TRIPS Agreement contains the basic obligations of a WTO member state as to domestic enforcement provisions.¹⁶¹ Two subparagraphs of Article 41 are especially relevant to plain packaging. First, Article 41.1 requires WTO members to make enforcement procedures “available under their law so as to permit effective action against any act of infringement of intellectual property rights covered by this Agreement . . . .”¹⁶² Of course, the specific scope of this obligation is a bit unclear, as terms such as “make . . . available” and “effective action” are indeterminate.¹⁶³ Nevertheless, it is clear that there is some basic enforcement obligation which, again, sets the TRIPS Agreement apart in the international IPR space. The obligation set forth in Article 41.1 is qualified by Article 41.5. That provision recognizes the limited resources that may be available to some members to enforce IPR

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¹⁵⁹ TRIPS, supra note 26, arts. 41-61.
¹⁶⁰ Judd, supra note 22; Judd, supra note 36.
¹⁶¹ TRIPS, supra note 26, art. 41.
¹⁶² Article 41.1 reads in full:

Members shall ensure that enforcement procedures as specified in this Part are available under their law so as to permit effective action against any act of infringement of intellectual property rights covered by this Agreement, including expeditious remedies to prevent infringements and remedies which constitute a deterrent to further infringements. These procedures shall be applied in such a manner as to avoid the creation of barriers to legitimate trade and to provide for safeguards against their abuse.

Id. art. 41.1.

laws and ensures that the TRIPS Agreement does not require super-heroic measures.164

Thus, right off the bat, one can see that the TRIPS enforcement text is a mixed bag. While TRIPS is often criticized for being too IPR rights-holder friendly, with such criticisms frequently citing its “groundbreaking” enforcement text,165 one can see that the enforcement text also leaves latitude for members resistant to rigorous enforcement efforts to manage their obligations.166

This indeterminacy is echoed in the oft-maligned TRIPS criminal enforcement provision. Article 61 requires WTO members to provide for criminal penalties for counterfeiting and piracy on a “commercial scale.”167 The precise contours of “commercial scale” piracy and counterfeiting were the subject of a WTO dispute resolution case between the United States and China.168 But, as I have pointed out previously, neither the WTO panel nor the parties sufficiently attended to what it means to “provide for” such penalties.169 This language becomes relevant in the plain packaging context, as failing to allow trademark rights holders to adequately

164 Article 41.5 reads in full:
It is understood that this Part does not create any obligation to put in place a judicial system for the enforcement of intellectual property rights distinct from that for the enforcement of law in general, nor does it affect the capacity of Members to enforce their law in general. Nothing in this Part creates any obligation with respect to the distribution of resources as between enforcement of intellectual property rights and the enforcement of law in general.

TRIPS, supra note 26, art. 41.5.

165 J.H. Reichman, Compliance with the TRIPS Agreement: Introduction to a Scholarly Debate, 29 Vand. J. Transnat’l L. 363, 366-67 (1996) (“The TRIPS Agreement is the most ambitious international intellectual property convention ever attempted. The breadth of subject matters comprising the ‘intellectual property’ to which specified minimum standards apply is unprecedented, as is the obligation of all WTO member states to guarantee that detailed ‘enforcement procedures as specified in this [Agreement] are available under their national laws.’” (alteration in original) (footnotes omitted) (quoting TRIPS, supra note 26, art. 41(1))). See also J.H. Reichman, Enforcing the Enforcement Procedures of the TRIPS Agreement, 37 Va. J. Int’l L. 335, 340-44 (1997) (providing a thorough overview of TRIPS enforcement procedures, their perceived advantages, and issues they may raise).

166 Judd, supra note 36.

167 The relevant language in TRIPS Article 61: “Members shall provide for criminal procedures and penalties to be applied at least in cases of willful trademark counterfeiting or copyright piracy on a commercial scale.” TRIPS, supra note 26, art. 61.


169 Judd, supra note 22.
Trademark Restrictions

protect their marks may rise to the level of lack of provision for criminal penalties and procedures for commercial scale counterfeiting.

Thus, one can see that the TRIPS enforcement text has a checkered history at best. Highly controversial from the start, the provisions in TRIPS relating to enforcement have proven relatively ineffective. The one attempt by a WTO member to invoke the TRIPS enforcement text to counter rampant and obvious piracy was at best a mild success. The enforcement text features significant indeterminacy, which in turn allows WTO members a great deal of discretion in implementing the domestic enforcement provisions. The degree of appropriate discretion is a subject of ongoing debate. Agreements negotiated since the TRIPS Agreement have tried to “update” these domestic enforcement standards. However, those agreements suffer from the common flaw of lack of enforcement mechanisms for their provisions, and thus are largely ineffective.

The United States, in the only TRIPS enforcement dispute ever brought before the WTO, fell short of full victory on its claim that China failed to provide for criminal procedures and penalties for commercial scale piracy. The debate in that case centered largely around the words “commercial scale.” But much more salient to

171 See Judd, supra note 36.
172 China—IPR Panel Report, supra note 163.
173 See Judd, supra note 22.
174 Id.
175 Rights holders claim that the TRIPS standards are hopelessly outdated, especially given the central role of the internet in modern day life and IPR enforcement. Others have claimed that the new enforcement-focused agreements are attempts by rights holders to recapture some of what they were unable to achieve in the TRIPS negotiations. In this writer’s opinion, there is truth in both statements. Reichman, supra note 165.
176 Here, one must make a distinction between domestic enforcement obligations, such as those contained in the TRIPS Agreement, and international enforcement mechanisms, such as the TRIPS. New agreements containing obligations regarding domestic enforcement obligations (the former) lack international enforcement mechanisms (the latter). Thus, one has to question their efficacy as international IPR instruments, especially compared to the dominant WTO mechanism.
177 TRIPS, supra note 26, art. 61; China—IPR Panel Report, supra note 163.
178 See generally China—IPR Panel Report, supra note 163.
this analysis are the words “provide for.” As I have previously argued, the parties and the panel failed to appreciate the significance of determining what it means for a WTO member to “provide for” certain types of remedies or penalties. Related to that inquiry is language in the general domestic enforcement obligation, contained in TRIPS Article 41. That Article demands that WTO members ensure that appropriate procedures are “available” under their laws so as to “permit effective action against” infringement. Article 41 further mandates that members avoid creating “barriers to legitimate trade” in implementing their enforcement mechanisms.

- TRIPS, supra note 26, art. 61.
- Judd, supra note 22.
- TRIPS, supra note 26, art. 41.1.
- Id.
- Australia’s Executive Summary, supra note 14.

iii. Plain Packaging Rules as a Possible Violation of the TRIPS Enforcement Text

It is striking that the plaintiffs in the WTO cases against Australia failed to argue that Australia’s law violated these enforcement obligations. Not one of them argued that, by restricting use of trademarks on legitimate goods, states were undermining enforcement efforts against those goods. Focus in the cases, with regard to the TRIPS Agreement, was almost exclusively on Article 20’s prohibition on unjustifiable encumbrances to uses of trademarks. What the plaintiffs overlooked is that an encumbrance on use of a trademark is also an enforcement issue that likely affects both the provision of adequate remedies and penalties under TRIPS Article 61 and the availability of procedures under a member’s law that permits “effective action against” infringement under TRIPS Article 41. Furthermore, given trademarks’ integral consumer-focused role in the marketplace, restrictions on use of trademarks may well be considered a “barrier to legitimate trade” per Article 41 as well.

By tying together the ongoing role that the trademark holder plays in policing the marketplace—in helping the state achieve a legitimate market of goods that are closely regulated—one can see that trademark restrictive plain packaging rules risk running afoul of important TRIPS domestic enforcement obligations. This risk is
present whether or not the restrictions rise to the level of “unjustifiable encumbrances” under TRIPS Article 20. In construing the Agreement in light of its object and purpose, as the Vienna Convention on the Law of Treaties instructs us to do, and in reconciling the provisions to the extent that they seem to compete, one recognizes that WTO members must take the enforcement obligations as seriously as the trademark obligations, and they must read the two consistently with one another. In this spirit, whether a trademark use restriction violates TRIPS Article 41 or 61 is not only material to the analysis of whether the restriction is unjustified under TRIPS Article 20; it is a separate inquiry worth undertaking on its own.

The next Part discusses the importance of “unjustified encumbrance” under TRIPS Article 20. The present Section highlights that the parties ignored vital provisions in the Agreement that both inform the Article 20 analysis and stand apart from it as a separate cause of action. When a state hinders the use of trademarks, it weakens the trademark holders’ and the law enforcement officials’ abilities to police the marketplace, creating barriers to legitimate trade and failing to provide for or make available appropriate procedures to permit effective action against counterfeiting.

IV. INTERPRETATION OF THE “UNJUSTIFIABLE ENCUMBRANCE” EQUATION

Article 20 of the TRIPS Agreement prohibits “special requirements” that “encumber” the use of a trademark “unjustifiably.” Furthermore, Article 20 specifically mentions that states should not employ requirements that are “detrimental” to the mark’s “capability to distinguish the goods or services of one undertaking from those of other undertakings.” Much of the debate in the Australia—Plain Packaging cases seems to have come down to the meaning of “unjustifiably.” Australia made compelling arguments about the dangers of tobacco use and on the

184 Vienna Convention on the Law of Treaties art. 31(1), May 23, 1969, 1155 U.N.T.S. 331, 8 I.L.M. 679 (“A treaty shall be interpreted in good faith in accordance with the ordinary meaning to be given to the terms of the treaty in their context and in the light of its object and purpose.”).
185 TRIPS, supra note 26, art. 20.
186 Id.
187 Australia’s Executive Summary, supra note 14.
theory that any encumbrance that resulted in less tobacco use was justifiable. Of course, as highlighted above, this equation is more lopsided with tobacco than with most products. The nexus between the encumbrance and the public health interest is not nearly as strong with respect to infant formula, and thus the “unjustifiably” standard should be assessed differently when applied in that sector.

Given that trademark restrictive plain packaging laws undermine the role of trademarks in protecting consumers and therefore run counter to the wisdom behind trademark theory and policy, such laws should have a strong nexus to a compelling public interest in order to be considered justifiable. Part of the problem is that there is no metric under the international IPR agreements to measure what constitutes a valid public interest, which is a key question in the determination of what is “unjustifiable” in furtherance of that interest. That determination is left to the total discretion of the states. Furthermore, and perhaps more relevant to this analysis, there is no spectrum on which to measure the nexus between a public health measure and the regulation at issue. For instance, there is no equivalent to “strict scrutiny” or “rational basis” on which international institutions can measure the public health measure vis-à-vis the restriction of rights. In truth, there should be a spectrum. There is a public health interest in preventing smoking. There is a public health interest in promoting breastfeeding. But these health interests are not the same, fundamentally. Nor are the countervailing and surrounding considerations the same.

Tobacco and infant formula provide an interesting contrast to illustrate this point. Even the most avid smoker, while perhaps asserting his autonomy to take chances with his own body, does not typically argue that smoking is beneficial. In fact, extensive, longstanding research illustrates the uniformly detrimental effects of smoking. There is no health-related upside to the targeted consumer. That same statement simply isn’t true with regard to infant formula. There is a substantial upside to making infant formula accessible to consumers. While few quibble with the vast benefits and advantages of breastfeeding, there are a few realities surrounding breastfeeding that distinguish that public health goal from the goal of curbing smoking. First, there is the reality that some mothers simply will not be able to breastfeed. Since the state’s interest in feeding infants is more compelling than the state’s interest

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188 Id.
189 Setting aside, for now, arguments about the medical benefits of marijuana.
in promoting breastfeeding, the regulatory structure has to acknowledge the desirability of another option for mothers who are unable to breastfeed. Second, there is the same physical autonomy question that arises in the smoking context. As much as the state should try to make breastfeeding accessible to mothers, ultimately a mother’s decisions about whether, under what circumstances, and how long to breastfeed should be hers. If a woman chooses not to breastfeed, she needs an alternative means by which to feed her baby. And the state has a compelling interest in allowing her baby to eat.

The other sectors—junk food, in particular—in which we have seen some attempts at regulation likely fall between these two examples and would require closer evaluation. But the bottom line message is this: not all products are created equal. Furthermore, and more importantly, not all public interests are created equal, and the failure of the international instruments to account for that reality in their regulation of domestic legal structures is problematic.

Others have documented the questionable practices of trademark holders, and there is no doubt that trademarks can be abused. Trademark abuses are well-documented in the tobacco context, and have been documented in the foodstuffs sectors as well. States are perfectly within their rights to invoke public health goals as a reason for targeting misleading, pernicious, and destructive marketing practices. States are also within their rights to limit marketing channels, require disclaimers, require other messaging, or mandate educational roles for producers of these products. The question becomes how to do those things without

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190 See, e.g., Puig, supra note 42; Frankel & Gervais, supra note 42.
191 See, e.g., Puig, supra note 42; Frankel & Gervais, supra note 42.
192 Note that restrictions on advertising of these products, however, may themselves pose a public health concern. Parents need to know their choices, and infants can suffer if parents do not understand the alternatives available to them. It is unfortunately all too common in underdeveloped countries for infants to die from malnourishment because their mothers cannot breastfeed. See WHO CODE, supra note 60. States must address this danger in crafting their policies surrounding marketing of substitutes.
193 Requiring a statement about the preferential nature of breastmilk, for instance, is appropriate. Restrictions on puffery such as “better than breastmilk” or “as good as breastmilk” are appropriate. These measures do not restrict the use of the trademarks applied to the products, and therefore do not undermine the societally beneficial tool.
194 Instead of being instinctively critical of the (seemingly slanted) educational functions these conglomerates provide, channel those efforts into the public health goal. Require infant formula producers to address the breastfeeding issue head on.
undermining the very goals those states seek to promote by undermining the societally beneficial values of the trademarks at issue. States should take into account the role of trademarks as societally beneficial tools in fashioning legislation that affects product packaging and advertising practices. As part of this consideration, states should be mindful that trademarks are the main tool used by trademark holders and law enforcement officials in combatting the scourge of counterfeiting, which in these sectors in particular poses its own public health risk.

CONCLUSION

The recent explosion of trademark restrictive plain packaging legislation pertaining to tobacco products, combined with rapid evolution of plain packaging restrictions in other product sectors such as infant formula, threatens to become a public health hazard. Such trademark restrictive plain packaging laws undermine the beneficial purposes that trademarks serve in protecting consumers from counterfeit products. By appropriating the most powerful weapon that trademark holders and the state possess in fighting counterfeiters, states imposing trademark restrictive plain packaging laws open the door to counterfeiters, creating a second public health problem that undermines their goals in tackling the first. This trade-off may be warranted in sectors such as tobacco, where there are no health benefits to the product. However, in sectors such as infant formula, where the products are life-saving for many and incredibly helpful for others, the calculus should be different.

This Article proposes an approach to restrictions on marketing for infant formula that adequately guard against right holder abuses, take into account the goal of promoting breastfeeding and the concerns about water safety, but that also consider the beneficial properties of infant formula and the concerns about counterfeit production of the product. It suggests that trademarks are a key component in the fight against counterfeiting, and also can be used to accomplish the public health goals of the states concerned. Thus,

Breastmilk, ultimately, does not need to be these companies’ competition. By creating a norm in which breastfeeding is in most cases preferable, but in which there is a viable, welcomed market for breastmilk substitutes, the competition for these companies becomes one another. This state of affairs evidences a healthy market that drives down prices, drives up quality, and benefits consumers.
states should be careful not to go so far as to restrict the use of trademarks as part of their public health plans.

Furthermore, this Article suggests that states have a compelling interest in involving infant formula producers in their public health plans. Those producers may take a role in educating health professionals and parents about the proper balances between formula feeding and breastfeeding, and they have the resources to promote the educational goals that states have set. They also have the means to make formula safer and more cost effective for families. They have the means to help overcome water supply problems and to supplement costs. Turning these producers into enemies and undermining their abilities to protect their products is not the way to beneficially channel those resources. Thus, legal requirements surrounding marketing should take into account the goal of channeling rights holder resources into public health initiatives.

For this reason, the legal calculus in assessing plain packaging restrictions should be different for infant formula than for tobacco. The question of whether a measure qualifies as an “unjustifiable encumbrance” under TRIPS Article 20 is answered differently between sectors. What may not rise to the level of “unjustifiable” given the one-sided evils of cigarettes may indeed be “unjustifiable” in the infant formula sector, given its compelling potential societal benefits. Furthermore, the societally beneficial nature of the good also compounds the enforcement and counterfeiting concerns, mandating that WTO litigators and panel members take into account Articles 41 and 61 of the TRIPS Agreement in interpreting Article 20. In short, infant formula is not tobacco, and any precedent set with regard to the latter product should not apply to the former.

The Article suggests that some of the qualitative differences highlighted in the contrast between tobacco and infant formula may ring true in other potentially affected sectors as well. Junk food, in particular, presents an interesting health-related conundrum, and will be tackled in a separate work. For now, it is enough simply to admonish policy makers enthusiastic about plain packaging as a panacea, and enthusiastic about the apparent victory of Australia at the WTO, to tread carefully as they look beyond the tobacco context into other product sectors.