



HARRISON INSTITUTE FOR PUBLIC LAW
GEORGETOWN LAW

TPPA TRADEMARK RULES



*Prepared for Action on Smoking and Health
Draft of May 8, 2012*

I. Introduction

This paper explores whether the tobacco industry could take advantage of trademark rules being proposed for the Trans-Pacific Partnership Agreement (TPPA).¹

In February 2011, a draft of United States Trade Representative's (USTR) proposed chapter on intellectual property (IP) in the TPPA was leaked to the public. Among many increased protections for IP, Article 2:22 of the draft contains language that requires that TPP parties *shall permit the registration and use* of signs and indications that reference a geographical area that is not the true place of origin of a product (as there is no established term of art for these protections, this memo will refer to them as "Art. 2:22 protections").² This language creates and protects a new type of IP with a higher level of legal protection than what is offered other types of IP.

Article 2:22 is included under a sub-heading, "geographical indications" (GIs), but it treats reference to a place differently than a GI does. GIs are a type of IP that allows a producer to market a product based on the reputation of a particular place so long as they originate in that place. Products like Champagne, Prosciutto di Parma and Parmigiano-Reggiano cheese are examples of GIs that are protected in the EU. Art. 2:22 protects products based on an opposite rationale.

The proposed Art. 2:22 protections would establish a right of producers to use place names that refer to products that do not actually come from that place, as routinely occurs with cheeses like parmigiano, romano, provolone and Swiss. The dairy industries of the United States, Australia, New Zealand, and several Latin American countries are pushing hard for inclusion of this language and see the TPPA as an important battle in their on-going war with the EU over protections for names of cheeses and other products.³ They assert that such names have become "common" or "generic" from repeated use outside of their home geographic area and therefore cannot be protected as IP.⁴ Because the EU has attempted to expand the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) to

¹ This memo benefits from thoughtful comments by Debby Sy and Benn McGrady on the prior draft. We welcome additional comments and critiques.

² United States Trade Representative, Draft Trans-Pacific Partnership Intellectual Property Chapter, Chapt. 18, Art. 2:22, available at <http://keionline.org/sites/default/files/tpp-10feb2011-us-text-ipr-chapter.pdf> [hereinafter Draft TPPA IP Chapt.]. While the draft IP Chapter refers to "products and services," this memo will focus only on products.

³ *New Initiative Aims to Expand Reach of Fight to Counteract EU on GIs*, Inside U.S. Trade, March 30, 2012.

⁴ *Id.*

protect such names as GIs,⁵ the dairy industry and its allies see these new Art. 2:22 protections as an opportunity to effectively block that expansion.

While they may have been intended to protect the dairy industry, the Art. 2:22 protections could be easily exploited by the tobacco industry; there are several well-known trademarks that indicate geographical areas that are not necessarily the true place of origin of the product. This list includes several already-existing top cigarette brands: Camel Turkish Gold, Marlboro, Newport, Winston, Salem, Kent, Winfield, Chesterfield, Virginia Slims, Hollywood, and many others. It also appears that any company, in any industry other than wine or spirits, could use this same language to get a presumptive right to register and use product names containing geographic references.

This memo explains the current controversy regarding GIs in international trade. It then explains how the TPPA differs from TRIPS in the protection offered for Art. 2:22-type products. Finally, it shows generally how tobacco companies could use Art. 2:22 protections to challenge restrictions on tobacco packaging or advertising such as plain-packaging laws. A deeper trade-conflict analysis is beyond the scope of this memo.

II. Geographical Indications – Cheese and International Trade

GIs are intellectual property rights that allow the holder to use a name that links a product to a particular place. Although they are most familiar in appellations for wines, they have been variously applied to foods, other agricultural products like tobacco, and even traditional manufacturing techniques. The language at issue in the TPPA refers to all goods and services *other than* wines and spirits, which are already protected under a different (far more stringent) regime in TRIPS.

Recent reports coming out of the TPPA negotiations suggest that negotiators and industry representatives of the United States, New Zealand, Australia, and Chile have already agreed on language that would specific delimit what may and may not be a GI and provide expanded protections for specific non-GI products.⁶ This language appears to be a response to a long-running conflict with the EU over the scope of GIs in TRIPS, specifically those that protect cheeses.⁷ The expanded protections are for a specific set of products that dairy producers in those countries regularly use: those with names are suggestive of one place, but actually contain products originating somewhere else.

TRIPS requires all WTO member states to give third parties the legal right to challenge registration of marks like this:

Art. 22.2 – In respect of geographical indications, Members shall provide the legal means for interested parties to prevent:

- (a) the use of any means in the designation or presentation of a good that indicates or suggests that the good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the good;
- (b) any use which constitutes an act of unfair competition within the meaning of Article 10*bis* of the Paris Convention (1967).⁸

⁵ Bernard O'Connor, The Law of Geographic Indications 50 (2006).

⁶ *U.S., N.Z., Australia, Chile Work to Counter EU Initiative On GIs In TPP*, Inside U.S. Trade, March 23, 2012.

⁷ *Id.*

⁸ TRIPS: Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, The Legal Texts: The Results Of The Uruguay Round Of Multilateral Trade Negotiations 320 (1999), 1869 U.N.T.S. 299, 33 I.L.M. 1197 (1994) Art. 22(2) [hereinafter TRIPS].

On its face, the language of (a) above would appear to bar the registration of any mark like those the United States seeks to protect, or at least require it to allow them to be challenged. However, the United States has long held that many names for cheeses used by its producers in this way are not misleading because the names have come into such common usage by consumers that they no longer associate the name with the place.⁹

One example of these types of products is “parmigiano,” a type of cheese that, under EU law, may only originate in the region of Parma, Italy. However, the name and cheese came with Italian immigrants to the United States and other places. Many non-EU cheese producers now use *parmigiano* to refer to that type of cheese, not to cheese of that type that is only from Parma.¹⁰ Essentially all IP systems recognize that a mark cannot be protected as IP if it cannot be tied to a single source;¹¹ even the EU concedes that the name “Swiss Cheese” has become so commonly used that it cannot be registered as a GI.¹² The United States contends that *parmigiano* is so commonly used that it can never be registered as a GI – a reversal of the EU’s position.

In response to the complaints of its own producers that the United States is not protecting their GIs, the EU has long agitated for an expansion of GI protections in TRIPS, ones that would specifically *block* the further registration of names like *parmigiano* as GIs.¹³ This EU proposal would allow EU producers to “claw back” the use of names like *parmigiano* by non-EU producers. TRIPS committed the parties to further negotiations on adopting an EU-style GI definition;¹⁴ these negotiations are ongoing.¹⁵ The EU has pushed for its definition of GIs in the TRIPS negotiations, as well as negotiations to create free trade agreements (FTAs) with other nations, including Canada, a potential TPP member.¹⁶

If the United States and its allies can “lock” their definition of GIs into the economically powerful TPP trading bloc, they will be in a stronger position to prevent the EU from negotiating the changes for GIs it seeks in TRIPS or in EU negotiations with ASEAN countries including Malaysia, Vietnam, and Brunei. Doing so in the TPPA, where the EU has no voice, is strategic.¹⁷

⁹ See International Trade Centre, *Guide to Geographical Indications: Linking Products and Their Origins* 16 (Daniele Giovannucci et al. eds. 2009), available at <http://www.intracen.org/policy/geographical-indications/>. Compare the proposed U.S. language with proposed language for the EU-ASEAN FTA, which provides for “legal provisions laying down that registered names: (b) is protected against: any misuse, imitation or evocation, even if the true origin of the product is indicated or if the protected name is translated or accompanied by an expression such as ‘style’, ‘type’, ‘method’, ‘as produced in’, ‘imitation’ or ‘similar;’ ...” EC Draft, Intellectual Property, art. 7:6(b) (Geographical Indications) 2008, available at <http://www.bilaterals.org/spip.php?article14281> (viewed May 8, 2012).

¹⁰ The proposed protections would likely also extend to Anglicized translations, like “parmesan.”

¹¹ International Trade Centre, *supra* note 8 at 16.

¹² *Id.*

¹³ To confuse the matter somewhat, this EU-style of protection was applied worldwide in TRIPS Article 24 for *wines and spirits* only. Provisions were made to allow wine producers currently using a GI outside of the region to continue to do so – hence California wine producer Korbel can continue to produce “Champagne” – but no new producers could start to use them. The EU has argued for the extension of the protection currently offered to wines and spirits under TRIPS to all foods.

¹⁴ TRIPS, *supra* note 7, Art. 24(1). *Key Differences Remain as Work on WTO GI Register Draft Text Begins*, *Inside U.S. Trade*, January 21, 2011.

¹⁵ The Dominican Republic recently raised the argument during these TRIPS GI negotiations that EU-type IP protections are necessary to allow it and other developing tobacco-producing nations the ability to exploit GIs like “Dominican Cigars”, and that plain packaging laws stand in the way of this. See “Australian Cigarette Packaging Law Hits a Nerve with Developing Countries,” ICTSD Intellectual Property Programme, Vol. 15, No. 22, 15 June 2011, available at <http://ictsd.org/i/news/bridgesweekly/108710/> (viewed April 9, 2012).

¹⁶ *U.S., N.Z., Australia, Chile Work to Counter EU Initiative On GIs In TPP*, *supra* note 5.

¹⁷ A recent exchange of letters between the USTR, Ron Kirk, and the South Korean Ministry of Trade illustrates the primacy of cheese GIs in recent U.S. trade policy. South Korea has recently concluded separate FTAs with both the U.S. and the EU. The

III. The Language of the TPPA

The primary threat contained in the TPPA is the broad new protections it grants in Art. 2:22 to “signs and indications” for non-origin, geographic-reference products. Large multi-national tobacco companies, like Philip Morris International (PMI), R.J. Reynolds (RJR) and British American Tobacco (BAT), already use trademarks to protect many brands that contain geographic references and presumably do not originate in the location referenced: Camel Turkish Gold, Marlboro, Winston, Salem, Virginia Slims, Hollywood, etc. These brands could immediately take advantage of the Art. 2:22 protections as soon as they are enacted.

The critical point is the expanded *right to use* these very specific types of IP. Trademarks and GIs are currently protected under TRIPS by a “negative right” of a private party to block use of a mark or GI that it holds by another private party. The TPPA chapter would include that negative right and explicitly add the positive right to register and use Art. 2:22 signs and indications.

A. Existing Trademark and GI Protections Provide Only a Negative Right

The threat posed by the expanded language is best seen in contrast to the negative right to defend protections offered to trademarks and GIs under TRIPs as well as the proposed protection offered to them under the TPPA.

TRIPS Article 16 on the rights of trademark holders:

Art. 16(1) – 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 for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed. The rights described above shall not prejudice any existing prior rights, nor shall they affect the possibility of Members making rights available on the basis of use.¹⁸

This is mirrored by TPPA Article 2:4 language on trademarks:

Art. 2:4 – Each Party shall provide that 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, including geographical indications, for goods or services that are related to those goods or services in respect of which the owner’s trademark is registered, where such use would result in a likelihood of confusion. In the case of the use of an identical sign, including a geographical indication, for identical goods or services, a likelihood of confusion shall be presumed.¹⁹

EU FTA contained recognition of “feta” cheese as a GI from Greece only, meaning that only Greek feta producers could sell cheese in South Korea using that name. This prevents several U.S.-based feta cheese producers from marketing their products in South Korea. Kirk specifically requested, and received, confirmation from South Korea that it would not bar U.S. producers from using “grana”, “parmigiano”, “romano”, and “provolone” based on its agreement with the EU. *South Korea Clarifies GI Provisions in EU-Korea FTA to USTR Satisfaction*, *Inside U.S. Trade*, June 24, 2011.

¹⁸ TRIPS, *supra* note 7, Art. 16(1).

¹⁹ Draft TPPA IP Chapt., *supra* note 1, Art. 2:4.

Both give only the negative right of a private trademark holder to block the use of their trademark by another.

The language in TRIPS outlining protection for GIs is presented in Section II above, again providing a negative right to protect against private party infringement. The language protecting GIs in the TPPA is in Art. 2:2, which binds those protections to the same ones given for trademarks:

Art. 2:2 – Each Party shall provide that trademarks shall include certification marks. Each Party shall also provide that geographical indications are eligible for protection as trademarks.²⁰

Tying this language to the rights of trademark holders in the TPPA, the only right that a state must give to private parties in regards to trademarks, certification marks and GIs is the right to challenge the registration of one on grounds that it is misleading or unfair competition.

B. TPPA Art. 2:22 Grants a Broad New Positive Right of Use

TPPA Art. 2:22 goes much farther than the single right that TRIPS gives to trademark, certification mark and GI holders. It creates an affirmative duty on the government to register and permit the use of a sign or indication that contains a non-misleading geographic reference – an affirmative right of use:

Art. 2:22 – Each Party shall permit the use, and as appropriate, shall provide for the registration, of signs or indications that identify services or products other than wines or spirits, and that reference a geographical area that is not the true place of origin of the services or of the product, provided that:

- (a) the sign or indication is used in a manner that does not mislead the public as to the geographical origin of the goods or services;
- (b) use of the sign or indication does not constitute an act of unfair competition within the meaning of Article 10*bis* of the Paris Convention (1967);
- (c) use of the sign or indication would not cause a likelihood of confusion with respect to an earlier-in-time similar or identical trademark or geographical indication that is used for identical or similar goods or services; and
- (d) where a request for registration is concerned, the sign or indication is not a generic term for the associated goods or services.²¹

This right extends far beyond the rights given IP holders in TRIPS and appears to be unprecedented in international agreements. We are unaware of any FTA that contains language binding parties to this level of protection for any type of IP. To summarize: *Art. 2:22 provides a higher level of protection for non-origin signs and indications than is offered to any other type of IP under TRIPS or the TPPA.*

C. Getting around the Restrictions

The substantive restriction of note under Art. 2:22 is that signs or indications must not be misleading; the other restrictions are standard bars to the registration of any type of IP. All of the IP protections of this type are to protect a link between a product and a particular source. Consumers may be willing to pay a premium for a product from a particular manufacturer (as with trademarks) or place

²⁰ *Id.*, Art. 2:2.

²¹ *Id.*, Art. 2:22.

(as with GIs). It would violate this basic principle of consumer protection to allow a producer to misleadingly advertise a product as being from a manufacturer or place if it is not.²²

However, there are several ways to get around this. A prominent GI scholar provides an example of how a mark could use a place name from which the product does not originate and still not be misleading: “Greenland Orange Juice” that is entirely from the United States.²³ The name “Greenland” is a geographic reference, yet no consumer would likely think that oranges grow in Greenland, so they could not be misled into thinking that the juice originates there. TRIPS would allow the registration of such a mark and the same principle appears to apply in the TPPA.

The tobacco industry is already heavily invested in brands that could fit these restrictions and could easily create new brands to fit into the Art. 2:22 scheme.²⁴ A tobacco company could accomplish this? in at least five different ways:

1. As with “Greenland Orange Juice,” ensure that tobacco brands reference places that no consumer could reasonably think that tobacco originates: like “Antarctica,” “Artic Blue,” or “Lapland.”
2. Similarly, a tobacco company could argue that this logic applies to any tobacco brand referencing a city because tobacco cannot be grown in an urban area: hence allowing “Winston,” “Salem,” “Newport,” “Hollywood,” or nearly any urban name to be registered. Taking the point even farther, perhaps “Parliament,” or other more ambiguous geographic names could be used.
3. A tobacco company could also argue that consumers do not actually know that many brand names actually refer to places, and therefore could not be confused by them. For example, American tobacco companies could produce surveys showing that Vietnamese consumers have no idea that Marlboro, Newport, or Winston-Salem are places in the United States, but rather think of them merely as brand names. In that case, there is no danger that consumers are being conned into believing that they are buying tobacco that is from Marlboro, Virginia (or Marlboro, Kentucky, or Upper Marlboro, Maryland) when it actually is not, because they have no idea that Marlboro is even a place. Tobacco companies could even seek out obscure place names with the intent of using them as tobacco brands: like “Hawaiian Gardens,” or “Vista,” cities in California, or “Reston,” a Washington D.C. suburb.
4. Include prominent labeling indicating that the product does not originate in the place indicated. Placing a prominent “contains tobacco from Turkey” label on a Marlboro package, or a “contains a blend of Turkish and American tobaccos” label on a Camel Turkish Gold package, could conceivably eliminate any misleading tendency of the name.
5. Add a “-style” caveat to the geographic reference. Hence, “Virginia-style tobacco” use the place name “Virginia,” but a tobacco company could reasonably argue that the “-style” addition would dispel any confusion that the tobacco actually originated entirely from within Virginia.

D. What Might this New Right Allow?

The Art. 2:22 protections would solidify taking geographic-reference products out of the GI realm and allow producers to a specifically new category of IP: the Art. 2:22 sign or indication. In addition to

²² O’Connor, *supra* note 24, at 61.

²³ *Id.*

²⁴ Ironically, all tobacco companies have to do to use this type of protection is to *make sure that not all of the tobacco actually originates* from the place referenced.

recognizing the significant new protection offered, another question is what such protection would actually allow an Art. 2:22 right-holder to do.

The language of Art. 2:22 appears to require a government to allow registration in the form of the registrant's choosing.²⁵ Most likely, given that tobacco companies have already significantly invested in numerous trademarked brands, they would continue to use that rubric, but they could potentially use other types of IP: certification marks (which are guaranteed equivalence with trademarks by TPPA Art. 2:22) or possibly even GIs under varying domestic laws.

The TPPA specifically requires members to adopt TRIPS, so TPP members must provide the same protections to their trademarks. TRIPS defines what may constitute trademarks in the following way:

Art. 15(1) – Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark. Such signs, *in particular words including personal names, letters, numerals, figurative elements and combinations of colours as well as any combination of such signs, shall be eligible for registration as trademarks.* Where signs are not inherently capable of distinguishing the relevant goods or services, Members may make registrability depend on distinctiveness acquired through use. Members may require, as a condition of registration, that signs be visually perceptible.²⁶

The importance of this language is that a party must allow a trademark holder to register names, letters, numbers, figurative elements, and combinations of colors – all of which are routinely used as part of tobacco branding. When combined with the right to use a trademark, this language appears to guarantee the right of a trademark holder to use all of the elements of that brand, including the figurative ones. Obvious examples include the Marlboro Man, Joe Camel and other tobacco trademarks that tobacco control advocates have fought against for years.

While it is clear that the TRIPS trademark definition applies to the TPP parties, language in the TPPA chapter also appears to expand upon the elements of a GI under TRIPS:

Footnote 4 - For purposes of this Chapter, geographical indications means indications that identify a good as originating in the territory of a Party, or a region or locality in that territory, where a given quality, reputation, or other characteristic of the good is essentially attributable to its geographical origin. *Any sign or combination of signs (such as words, including geographical and personal names, as well as letters, numerals, figurative elements, and colors, including single colors), in any form whatsoever, shall be eligible to be a geographical indication.* The term “originating” in this chapter does not have the meaning ascribed to that term in Article ___ (Definitions).²⁷

Because this language is included in the TPPA, it is the most direct evidence of what the drafters mean when they refer to “signs” or “indications.” Notably, it expands on the TRIPS trademark possibilities to include single colors. It indicates that the United States might push for expanding the single color protection to trademarks as well. Tobacco companies already use single colors to market products:

²⁵ While the language seems to indicate that the registrant would have their choice of registration systems, conceivably governments could create a separate, *sui generis*, Art. 2:22 category of IP with its own protections and require registration under that scheme.

²⁶ TRIPS, *supra* note 7, Art. 15(1) (emphasis added).

²⁷ Draft TPPA IP Chapt., *supra* note 1, fn 4 (emphasis added).

“Reds,” “Silver,” “Gold,” “Greens,” “Blues,” etc. This language would guarantee the right of tobacco companies to continue advertising using these single colors as part of their trademarks.

IV. How Big Tobacco Could Use Art. 2:22 Signs and Indications

The mandate – “shall permit the use, and...registration” – is the opening a tobacco company could use to assert its right to register and use a new or existing tobacco brand that references a geographic place as a “sign or indication:” likely as a trademark, certification mark or possibly a GI, depending on domestic laws. When combined with the trademark and GI protections that provide that right-holders can register names (including distinctive scripts), letters, figurative elements (drawings, maps, etc.), and colors, there is an open door for tobacco (and any other industry outside of wine and spirits) to take advantage of Art. 2:22 to challenge any government restriction.²⁸

Here are some potential real-world examples of how tobacco companies could use Art. 2:22:

1. RJR already has an entire line of “Camel Turkish” cigarettes, including “Camel Turkish Gold,” “Camel Turkish Silver,” “Camel Turkish Royal” and “Camel Turkish Jade,” all of which could be registered under Art. 2:22 (see Appendix 1). The Turkish Jade cigarettes contain menthol, and the others use blends with varying nicotine levels. Each brand has distinctive packaging and colors, all of which could be trademarked. The Camel Turkish Gold advertising already contains the words “an exotic variation of Camel’s Turkish and Domestic Blend,” which RJR could easily argue alleviates any misleading character of the “Turkish” name. Using Art. 2:22, RJR would have the positive right to register all four brands, using the distinctive “Camel” script on each, the colors associated with them, dromedary camel and pyramids packaging, the “Turkish cigarette girl” on some packages, and possibly even Joe Camel, depending on the friendliness of the domestic government. RJR would not have to make any changes to these brands to be able to register and use them as soon as the TPPA is in place.
2. Similarly, PMI could market Marlboro by slightly adjusting its existing Marlboro cigarette packaging for foreign markets to include a prominent label that says exactly where the tobacco comes from: “contains a blend of premium tobaccos from the best tobacco farms across the United States,” or some similar label, so long as the statement is literally true. PMI would then have the positive right to register and use the Marlboro name in a distinctive font, the red and white packaging design with chevron design, and the Marlboro Man. It could do the same for its “Gold” (menthol) and “Silver” (light) brands.
3. The British American Tobacco Company (BAT) owns and produces the “Hollywood” brand of cigarettes in Brazil.²⁹ There are three types of Hollywoods: “reds” in a red pack, “lights” in a blue pack and “menthols” in a green pack.³⁰ All three use a similar stylized chevron logo with their respective colors. So long as not all of the tobacco originates in Hollywood, CA, TPPA Article 2:22 would then require a TPP government to register and allow the use of the

²⁸ There is nothing preventing any industry from using this section, especially those which might otherwise face some advertising restrictions: the pharmaceutical industry, dangerous chemicals, sugary or unhealthy foods, etc.

²⁹ BAT indirectly owns the Hollywood brand through the Souza Cruz company. Souza Cruz, Nosas marcas, http://www.souzacruz.com.br/group/sites/SOU_7UVF24.nsf/vwPagesWebLive/DO7ZWHKA?opendocument&SKN=1 (last visited Apr. 10, 2012).

³⁰ Duty Free Cuban Cigars, Cuban Cigarettes, <http://store.dutyfreecubancigars.com/CUBAN-CIGARETTES.html> (last visited Apr. 10, 2012).

Hollywood brand signs and indications.³¹ TPPA Article 2:22(a) would not bar Hollywood Cigarettes for being misleading because no consumer could realistically believe that the tobacco in the cigarettes is actually grown in the city of Hollywood, an urban area.

4. Another scenario also involves BAT. BAT currently sells the Winfield brand in France with packaging bearing a kangaroo road sign, a map of Australia, and the slogan “Australia’s Finest.”³² BAT could promote the “Australian Cigarette” as part of a healthy, outdoorsy, and fun-loving lifestyle.³³ So long as it made clear that some of the tobacco in the cigarettes was from outside Australia, BAT could assert a right to the use of the kangaroo, map, and slogan as an Art. 2:22 sign or indication.

V. Potential Impact on Tobacco Advertising Laws

Numerous governments have taken steps to restrict tobacco advertising. Plain packaging laws, like those in Australia, allow cigarettes to only be advertised using the brand name in a small, uniform font on an otherwise plain background.³⁴ Uruguay limits each tobacco company to market only one brand.³⁵ Many countries restrict tobacco advertising in print and television media.

Under the U.S. proposal for the IP chapter, a tobacco company could assert that such laws violate its right to use its Art. 2:22 signs or indications with a distinctive name and a distinctive font, logo and colors. It might do so through direct action in domestic courts or in investor-state arbitration. It could also ask a government to bring a trade dispute against the regulating government.

In fact, tobacco companies have already challenged advertising-restriction laws in this way, using trademark rights given by TRIPS, which are *weaker* than the rights the TPPA would grant to Art. 2:22 holders. RJR threatened to challenge plain packaging requirements in Canada based on the North American Free Trade Area’s (NAFTA) protections for trademarks as part of a successful lobbying campaign.³⁶ PMI has brought investor-state arbitration claims against both Uruguay’s and Australia’s advertising-restriction laws, based in part, on asserted obligations to permit use of trademarks under TRIPS. In March 2012, Ukraine brought a WTO dispute against Australia’s plain packaging laws under TRIPS trademark protections.³⁷

Beyond these trademark claims, on March 5, 2012, the Dominican Republic submitted a communication to the WTO TRIPS Council asserting that Australia’s plain packaging laws violate the TRIPS protections

³¹ It is ironic that BAT could not do this if the tobacco did actually all originate from farms inside Hollywood - the precise construction meant to protect specific cheeses bars it.

³² *Roxon's Anger over Winfield's Kangaroo Logo*, ABC News (Jan. 13, 2012 06:43:40), <http://www.abc.net.au/news/2012-01-13/winfield-uses-aussie-icons-to-sell-cigarettes/3770472>.

³³ *Id.* Australian Attorney General, and former Health Minister, Nicole Roxon, was quoted in the story as specifically complaining about BAT “using Australia's healthy lifestyle to market their deadly products.” The guidelines for implementation of FCTC article 13 provide that cigarette packages “should carry no advertising or promotion, including design features that make products attractive.” WHO, *Framework Convention on Tobacco Control: Guidelines for Implementation*, at 55 (2009).

³⁴ Matthew C. Porterfield & Christopher R. Byrnes, *Philip Morris v. Uruguay*, Investment Treaty News (July 12, 2011), <http://www.iisd.org/itn/2011/07/12/philip-morris-v-uruguay-will-investor-state-arbitration-send-restrictions-on-tobacco-marketing-up-in-smoke/>.

³⁵ *Id.*

³⁶ *Id.*

³⁷ *Ukraine Launches WTO Challenge Against Australia Cigarette Packaging Law*, Int’l Ctr. for Trade and Sustainable Development (Mar. 21, 2012), <http://ictsd.org/i/news/bridgesweekly/128988/>.

for GIs.³⁸ It claims that Australia’s plain packaging law unfairly prohibits the use of its brand-new *Cigarros Dominicanos* GI for cigars.³⁹ Moreover, Cuba has signed agreements that provide GI-type protection for Cuban cigars in at least twenty-six countries as well as trademark-style protections in at least thirty-five others; it has challenged infringement of those GIs in several countries.⁴⁰ GI-type protections for tobacco products have been considered since at least 1883, when the drafters of the Paris Convention for the Protection of Industrial property included, “all manufactured or natural products, for example, wines, grain, *tobacco leaf*, fruit, cattle, minerals, mineral waters, beer, flowers, and flour,” as products that should be protected as IP.⁴¹ If the Dominican Republic and Cuba are successful in pushing to have tobacco generally recognized as a product that can be protected by GIs, it can be assumed that U.S. manufacturers will not be far behind in claiming GI protection under TRIPS and the TPPA. Again, the TRIPS GI protections are *weaker* than those that would be available under TPPA Art. 2:22; the TPPA chapter would provide an explicit right of use.

A simplified explanation of all of these cases and assertions is that trademarks are a property right, and so governments must have a justification for restricting their use. The tobacco industry seeks to shift the burden to the regulating governments (so far, Australia and Uruguay) to show that the methods they choose to protect public health outweigh the right of tobacco companies to use their brands.

Under the proposed TPPA protections, a tobacco company would be in a better starting position in its fight against the government than on the current arguments based on TRIPS because it could assert an *explicit right* to use its Art. 2:22 sign or indication.

VI. Conclusion – The Danger of Unintended (Or Perhaps Intended) Consequences

In late March 2012, the U.S. dairy industry announced a sweeping new initiative to promote the protection of cheese names using the TPPA and Art. 2:22.⁴² The industry expressed its confidence that the USTR is “very supportive” of its expansive position.⁴³ Although the United States and its allies may intend the language to protect cheese makers, tobacco companies could use the Art. 2:22 language to argue a right of use and be in a better position to challenge tobacco regulations.

Putting tobacco companies in a better starting position in these fights might embolden their already ferocious attack on plain packaging and other limits on tobacco marketing. As occurred in Canada, the mere threat of a protracted and expensive investment or trade dispute could weaken the resolve of governments to implement or consider stronger tobacco controls. Even if PMI loses its investment claims based on current law, the U.S. proposal for the TPPA’s IP chapter could spawn a completely new round of litigation.

Consider that in the Korea-US FTA, the investment chapter’s article on expropriation provides as follows: “This Article does not apply . . . to the revocation, limitation, or creation of intellectual property rights, to the extent that such issuance, revocation, limitation, or creation is consistent with Chapter Eighteen

³⁸ *Debate on Australian Cigarette Packaging Law Reignites at TRIPS Council*, Int’l Ctr. for Trade and Sustainable Development (Mar. 7, 2012), <http://ictsd.org/i/news/bridgesweekly/127872/>.

³⁹ *Id.*

⁴⁰ Nadja El Benni and Sophie Reviron, *Geographical Indications: Review of Seven Case-Studies World Wide*, NCCR Trade Working Paper 49-54 (2009), available at http://phase1.nccr-trade.org/images/stories/publications/IP5/GI_Case-studies_2009.pdf.

⁴¹ Paris Convention for the Protection of Industrial Property, as last revised at the Stockholm Revision Conference, July 14, 1967, 21 U.S.T. 1583; 828 U.N.T.S. 303, Art. 1(3) (emphasis added).

⁴² *New Initiative Aims to Expand Reach of Fight to Counteract EU on GIs*, *supra* note 2.

⁴³ *Id.*

(Intellectual Property Rights).”⁴⁴ (emphasis added) By inference, if this language appears in the TPPA investment chapter, the expropriation article would apply to a measure that is not consistent with Chapter Eighteen’s Art. 2:22, for example, a plain packaging law that prohibits use of signs or indications that refer to a place.

As noted above, a full trade-conflict analysis is beyond the scope of this memo. That would require consideration of a specific measure, the conflict between that measure and Art. 2:22, the availability of general exceptions that might excuse a conflict, and the potential impact of trade sanctions.

We also do not address a larger issue: Art. 2:22 protections could be used by *any* industry other than wine and spirits simply by attaching a geographical reference to a product name. Any manufacturer could use the Art. 2:22 language to gain a presumptive right to register and use a product, giving much stronger protections than exists through the normal trademark process. Manufacturers could then challenge advertising and trademark-use restrictions from this higher standing. For example, a drug-maker might be able to register “Hollywood Diet Pills” and use Art. 2:22 to challenge restrictions on pharmaceutical advertising.

Finally, we note that any threat that Art. 2:22 poses to tobacco controls can be cured. Tobacco products can be excluded from the scope of Art. 2:22 by adding tobacco to the phrase, “other than wines or spirits or tobacco.” However, this exclusion would not abate the threat posed by the *implied* right to use a trademark, which tobacco companies already assert under registration provisions of TRIPS, and which the proposed IP chapter builds upon. For that reason, a more effective solution is to carve tobacco out of the TPPA altogether.

⁴⁴ Korea-U.S. FTA, art. 11.6(5) (Expropriation and Compensation).

Appendix 1: Existing Camel “Turkish” Brands

