Big Tobacco Blows Smoke on Public Health Initiatives: Using Trademark Law to Prevent International Changes to Cigarette Packaging

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I. INTRODUCTION

In June 2009, President Barack Obama signed the Family Smoking Prevention and Tobacco Control Act. This legislation was a bipartisan effort in both houses of Congress, and was hailed by Obama as allowing -sense steps to reduce the h [1] Among other things that this legislation authority to regulate the warning labels used by tobacco companies more than ever before. The FDA decided to require nine color graphic warning labels to be attached on a rotating basis to all cigarette packages and advertising.[2] challenged in the years since 2009, slowing any effective progress. However, progress globally may lend support for a renewed surge to protect public health, despite challenges by tobacco companies in national and international forums.

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1. Press Release, The White House, Office of the Press Secretary, Remarks by the President at the Signing of the Family Smoking Prevention and Tobacco Control Act (June 22, 2009)

own choices. But it will also ban tobacco advertising within a thousand feet of schools and playgrounds. It will curb the ability .

competitors as the brand name may still be used, and that trademark registrations merely confer the right to prevent counterfeiters from copying rather than allowing the positive right to use a mark at all (as this comes just from starting a business and using the mark in the course of trade).[10] They also argued that a government that introduces this measure is not acquiring the intellectual property of tobacco companies, but prohibiting the promotional branding on packaging for public health purposes.[11]

These arguments and debates provide a framework for the challenge in the High Court of Australia of the Tobacco Plain Packaging Act brought by British American Tobacco, Imperial Tobacco Australia Limited, Philip

tobacco industry at large could bring against plain packaging worldwide.

A

In April 2012, the High Court of Australia heard argument for three -general on

Constitution.[12] The High Court did not release its decision until August 2012, and did not post the reasons for its decision until even later, in October 2012.[13] The oral arguments were packed with lawyers for each side, with members of the public and the

may be harmed, but the Commonwealth does not thereby acquire something [29]

This ruling has had a long reach in terms of bringing tobacco pa
agendas.[30] It may embolden other countries, like Canada and South Africa, which have had similar stances to Australia on tobacco reform, to move forward with plain packaging as well. It can serve as a roadmap for how a country may successfully pass such an act despite pressure from major international tobacco companies. It also shows that the tobacco industry may not be so successful going forward with arguments on intellectual property takings.

B

The tobacco industry is not the only party to be concerned with

request from Ukraine in March 2012;[31] one request from Honduras in April 2012,[32] one request from the Dominican Republic in July 2012,[33] one request from Cuba in May 2013,[34] and one request from Indonesia in September 2013.[35] These requests for con
Act, and all allege essentially the same thing: that this law is inconsistent

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cigarettes be sold in white packs with simple text, and no colors or logos.[39] In 1994, the Canadian House of Commons Standing Committee on Health suggested plain packaging should be including in legislation once further research was done on the effectiveness of the packaging.[40] However, both of these recommendations lost steam and were subsequently dropped from the policy agendas.[41]

Australia opened the floodgate to a host of countries considering plain packaging reform. This consideration can be so little as requesting new studies and evidence on the effectiveness of plain packaging, to so far as

standardized font brand name and variant name, included standardized colors, and had rotating picture and text health warnings. Only a couple of

manufacturers and importers to use their trademarks to differentiate their [63] The second argument of consultation is especially interesting in the context of relations between the industry and the Thai government, given that the norm for the Ministry of Health is to do just what it did: create regulations, enact them, and expect for the affected industry to comply.[64]

bullying tactics. Jonathan Liberman, an Australian lawyer and expert on anti-tobacco legislation, said:

> Countries have to defend these measures against these legal claims and

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example out of Uruguay, but it is commendable that the country is not bowing to the pressure despite the financial risk the arbitration poses. This could turn into an avenue of pursuit for the tobacco companies should the World Bank rule that Uruguay violated the bilateral treaty with the Swiss, as many other countries are party to such agreements with Switzerland and the home countries of the other major international tobacco companies.

C d

Canada ties for fourth with Brunei and Nepal for having the fourth-highest total percentage of graphic warnings required on tobacco packages, coming in at 75%.[82] Despite not having the largest percentage of graphic warnings, Canada was the first country in the world to implement picture-based health warnings on cigarette packages, which went into effect in 2001.[83] The regulations required half of the packages to be covered with rotating pictoral and text graphic warnings, leaving the other half for tobacco branding. This was raised to the current 75% total coverage level in 2011, with implementation in 2012.[84]

Canada has had discussions of implementing plain packaging before, and remains a leader on conducting research on the implementation and effectiveness of graphic warnings and plain packaging worldwide.[85] Like other countries that are recognized world leaders in tobacco control, the laws that have been implemented controlling how tobacco companies can advertise and how cigarette packages can look have been challenged by the industry. The 1997 Tobacco Act banned tobacco sponsorship, restricted the way that cigarettes were advertised, and required large warnings on packages.[86] Originally brought to the Quebec Superior Court in 2002 where it was upheld entirely, and reversed in part by the Quebec Court of Appeal in 2005, the law was a sweeping reform at the time.[87] The government argued that they were dealing with a tobacco epidemic and that the legislation was weak compared to laws in countries like Australia, which

82. CANADIAN CANCER SOC Y, *p* note 5, at 2.

83. *d* , TOBACCO LABELLING RESOURCE CTR., http://www.tobacco

had banned tobacco advertising completely at the time. The manufacturers were okay with some prohibitions on promotion, such as youth-targeted advertising, but objected strenuously to being restricted from advertising to

regulations.[106] In 2011, the FDA revealed nine rotating graphic color images that were ultimately selected, which would cover the top half of both the front and the back of the package. These labels were intended to go into effect in September 2012, but the tobacco industry stepped in before regulations were ever implemented.[107]

The FDA was sued in many places, but two of these suits in particular are important.[108] The results of these two lawsuits has effectively set up the United States to make a decision on what, if any, kind of labels or packaging will be mandated upon cigarettes sold. The larger questions are what will the FDA choose to try, and if it should consider the larger international landscape on graphic warnings and 4(h)-64(t)-4A choose to trymandateTJETBT/F3tf1undc

whether or not the interest that the FDA had in these graphic warnings was substantial, and if the regulation directly advanced that interest, and if the regulation was not more extensive than necessary to serve that interest.[113]

g that the graphic

[114] The Court also did not find the argument about why these nine graphic warnings would be more effective convincing either. The majority said:

> [B]oth the statute and the Rule offer a barometer for assessing the effectiveness of the graphic warnings the degree to which they encourage current smokers to quit and dissuade would-be smokers from taking up the habit.
>
> means by which it plans to accomplish its goal of reducing smoking rates, and not an independent interest capable of sustaining the Rule.[115]

The majority was ultimately not convinced that these nine specific graphic warnings would get current smokers to quit and dissuade those who were thinking about it, or at least it was not convinced enough to take away

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of restriction. The Court vacated the graphic warning requirements and remanded to the FDA, also vacating the injunction issued by the District Court to allow the FDA to reformulate regulations.[116]

Judge Rogers in his dissent believed that the majority applied the wrong level of First-Amendment scrutiny to the commercial speech of the tobacco companies, and that even if the intermediate level of scrutiny was correct, that the FDA should still have been able to go forward with this regulation.[117] He believ

government.[122] The tobacco companies then appealed the decision up to the Sixth Circuit Court of Appeals.[123]

Many of the arguments made by each side in front of the Sixth Circuit were similar to the arguments made in front of the D.C. Circuit.[124] The

proposed by the Act would far outweigh any legitimate interest in conveying information to prevent the confusion of consumers, as most [125] They also argued

dominated by the warnings, and that the requirement for graphic images extends beyond mere factual warnings to the point of forc as

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The FDA was clear to create new regulations for graphic warnings based on the 2009 Act and subsequent lawsuit decisions starting in late April 2013. However, three years later there seems to be no movement from the agency in terms of proposing rulemaking or new graphic warnings for the public to examine. In considering the possible options for what the FDA can hope to accomplish, assuming it moves forward anytime soon, it is important to keep the international backdrop in mind of how and what the tobacco industry may challenge and how the FDA may fail or succeed in combating these challenges.

The challenges that can be expected to any new tobacco regulation includes the trademark challenges as discussed, as well as constitutional challenges under the First Amendment and the Takings Clause of the Fifth Amendment. Unlike Australia, the United States does protect commercial speech under the First Amendment more broadly. If a government regulation is curtailing commercial speech, as the FDA would be doing by

on the package, it must be directly advancing its purpose for the regulation and must do so in a way that is not excessive, with the means reasonably fitting the ends being used to promote that purpose.[138] Given how the Supreme Court has expanded protections for commercial speech under the Firs
alcohol and cigarettes, regulation of percentage of cigarette packages dedicated to branding versus warnings would have to tread very carefully.[139] The regulation could not be too broad, and would have to reasonably fit the purpose of promoting public health and awareness of the danger of cigarettes.

constitute a taking under the Constitution. The United States has a similar

138. Lorillard Tobacco Co. v. Reilly, 533 U.S. 525 (2001) (using a four-part test to analyze regulations of commercial speech, where the court determines (1) whether the expression is protected by the First Amendment, (2) whether the asserted governmental interest is substantial, (3) whether the regulation directly advances the governmental interest asserted, and (4) whether it is not more extensive than necessary to serve that interest) (*t*
, 507 U.S. 761, 770-71 (1980). *Se*
, 515 U.S. 618, 632 (1995) (explaining that in order to determine the fourth prong of the commercial speech test, there must be a reasonable fit

narrowly tailored to achieve the desired objective).

139. Doug Linder,
, UMKC L. SCH., http://law2.umkc.edu/faculty/projects/ftrials/conlaw/commercial.htm (last visited Feb. 1, 2016).

clause in its Constitution, which has been interpreted to allow the federal government and the states to use the power of eminent domain to take

the United States. Thailand and Uruguay provide extreme examples of graphic images that have been upheld, but these are considered progressive world leaders on such regulations. It may be helpful for the United States to try and implement images like those used in Canada currently or Australia prior to plain packaging, keeping in mind that the percentage of the package covered by the warnings would be 50% of the total package area.[143]

One caveat to the ideal recommendations above is the likelihood that this will remain on the back burner at the FDA for the foreseeable future. A commentator from Consumerist contacted the FDA to ask about timelines and plans the agency may have to move forward with graphic warnings following t
the tobacco companies. he agency will undertake research to support a new rulemaking consistent with [the 2009
[144] The commentator pointed out that the phr
means that no research has begun yet, and also that when spokesperson was

[145] This does not bode well for expectations that the FDA will act anytime soon. It also is feasible that the tobacco industry is utilizing the full reach of its financial sway to conduct lobbying efforts to put off a rulemaking as long as possible. While lobbying by the industry may have reached new heights for many of the other countries implementing harsher regulations, it is a well-oiled machine in American politics and is likely to attempt to stave off regulation as long as possible.

V. CONCLUSION

It is obvious that the tobacco industry has vast resources and influence, and is unlikely to give up fighting against the constant regulations thrown at it internationally any time soon. As such, the large international tobacco companies hire brilliant legal minds to come up with every possible challenge to these regulations in each country in order to stave off regulation that will hurt their brands and profits. One such challenge that has been a favorite to use against graphic picture warnings and plain

143. *See* TOBACCO LABELLING RESOURCE CTR., http://www.tobaccolabels.ca (last visited Apr. 22, 2015) (making available the dates of when different countries implemented picture warnings around the world on tobacco products, as well as pictures of the specific warning labels approved, so to view each country listed above, merely search them from 1(e)-131(i)-4(nt)-4(er)5(nat)5(i)-4(on(bo)-131(i)-4(nt)-4(er)5(n-

packaging worldwide is using trademark law. However, this use of trademark law is more for brand protection, rather than the consumer confusion and unfair competition principles that provide foundation for the law in the United States and elsewhere.

While it may be some time before the United States tobacco market needs to directly confront graphic warning regulation from the FDA, the FDA can learn lessons from legal struggles around the world for crafting new regulations to comply with the 2009 Family Smoking Prevention and Tobacco Control Act. Trademark arguments of the tobacco companies can come in various forms, but may often be seen as either takings of intellectual property by the gover