

JT INTERNATIONAL SA v THE COMMONWEALTH OF AUSTRALIA (S409/2011)

Date writ of summons filed: 15 December 2011

Date demurrer referred into the Full Court: 27 February 2012

JT International SA (“JT”) is incorporated pursuant to the laws of Switzerland. It is the registered owner (or the exclusive licensee from the registered owner) of certain Trade Marks that are registered and/or protected under the *Trade Marks Act 1995* (Cth). This entitles JT to use (or authorise the use of) those Trade Marks in the retail packaging and appearance of “Camel” cigarettes and “Old Holborn” tobacco (“the Tobacco Products”) currently sold in Australia. It also entitles JT to take action in relation to infringements of its Trade Marks in Australia.

JT has, and will until the commencement of sections 17 to 27A and 30 to 48 of the *Tobacco Plain Packaging Act 2011* (Cth) (“the TPP Act”), have the right to determine:

- (i) The appearance of its Tobacco Products;
- (ii) The form and appearance of at least 70% of the front and at least 10% of the back of its Tobacco Products.

The Tobacco Products use distinctive trade dress and get-up, including words, colours, designs, logos, lettering and markings (“the Get Up”). This distinguishes JT’s Tobacco Products from other tobacco products in respect of which JT has rights of use, capable of being enforced by an action for passing off or misleading conduct. JT claims that its rights in both the Trade Marks and the Get Up are “property” for the purposes of section 51(xxxi) of the Constitution. It also claims that the provisions of the TPP Act, particularly Chapters 2 & 3, constitute an acquisition of its property otherwise than on just terms. It further submits that, but for section 15, those provisions are wholly invalid and are of no effect.

While the Defendant (“the Commonwealth”) admits that JT’s Trade Marks constitute “property” within the meaning of section 51(xxxi) of the Constitution, it denies that its Get Up is. In any event, the Commonwealth submits that such rights that are held by JT have always been subject to Commonwealth, State and Territory statutes, including regulations specifically directed to the packaging and marketing of tobacco products. This includes Commonwealth laws of the kind enacted by Chapters 3 and 5 of the TPP Act. JT’s rights are also subject to the common law.

The Commonwealth further submits that the provisions of the TPP Act do not confer upon the Commonwealth any measurable benefits or advantages analogous to proprietary rights, thereby giving rise to an acquisition of JT’s property within the meaning of section 51(xxxi) of the Constitution. The Commonwealth alternatively submits that even if JT’s property is held to have been acquired, then any acquisition without just terms is subservient to the objects identified in section 3(1) of the TPP Act. It further submits that even if just terms are required, then any acquisition that has transpired has occurred on such terms.

Both JT and the Commonwealth have filed “Section 78B Notices”, while the Attorneys-General for Queensland, the Australian Capital Territory and the Northern Territory have all advised this Court that they will be intervening in this matter. The Cancer Council of Australia has also filed both a summons seeking leave to intervene as amicus curiae and its own “Section 78B Notice”.

On 27 February 2012 Justice Gummow set down JT’s demurrer for hearing by the Full Court on 17 April 2012. JT demurred to the Commonwealth’s defence on grounds which include:

- The Trade Marks and the Get-Up constitute “property” within section 51(xxxi) of the Constitution.
- The TPP Act would, apart from section 15, result in an acquisition of that property within section 51(xxxi) of the Constitution.
- That acquisition would be otherwise than on just terms.