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obligation is to ensure that rights are available to obtain relief against such infringing acts." ¹

2. The Panel in *Australia – Tobacco Plain Packaging* further explained with respect to the nature and scope of the obligation in Article 16.1 :

"The exercise of this private right depends, in practice, on an assessment of the nature of the marketplace at the relevant time to determine whether the relevant factual circumstances exist, especially in assessing the likelihood of confusion. However, the obligation on Members to provide this right under their legal systems should be distinguished from the scope of activities undertaken by commercial actors in their domestic markets. The object of the obligation in Article 16.1 is to permit right holders to protect themselves against certain actions by third parties in the course of trade, if a likelihood of confusion would arise from such actions.

...

Members can thus comply with this obligation regardless of whether any infringement activities actually occur in the market, or whether and when right owners actually choose to exercise this exclusive and private right that is at their disposal. In other words, whether unauthorized third parties actually use similar or identical signs on similar goods or services in the market, and whether such use actually does or does not result in a 'likelihood of confusion' among consumers, is immaterial to the assessment of whether a Member ensures that a trademark owner has as at its disposal the right to prevent such acts by third parties, in compliance with

"Article 16.1 of the TRIPS Agreement only provides for a negative right to prevent all third parties from using signs in certain circumstances."⁷

8. The Panel in *Australia – Tobacco Plain Packaging*, citing the Panel in *EC – Trademarks and Geographical Indications*, clarified that Article 16.1 does not establish a right to use the registered trademark:

"The text of the provision does not formulate any other right of the trademark owner, nor does it mention the use of the registered trademark by its owner.

...

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"Article 16.1 of the TRIPS Agreement sets out the minimum right which Members must provide to the owners of registered trademarks and which they may also make available on the basis of use. It is a right for trademark owners to prevent certain uses. The Panel takes note that trademark owners are not able to exercise their right to prevent use of a GI after GI registration. However, Australia has not explained why the trademark owner's right to prevent use implies a right to object to GI registration.

"Article 15.5 provides for a right of objection to registration of a trademark but there is no corresponding provision in Part II regarding the registration of a GI. There are provisions on the acquisition and maintenance of intellectual property rights, including GIs, in Article 62. These specifically refer to related inter partes procedures such as opposition, revocation and cancellation, in paragraph 4, which is cross-referenced in paragraph 5. The opportunity or right to object forms part of an opposition procedure. However, Article 62 lies outside the Panel's terms of reference."¹⁰

11. The Panel in *Australia – Tobacco Plain Packaging* rejected an argument that causing the instances in which "likelihood of confusion" may arise to be reduced constitutes a violation of Article 16.1:

"If, as the complainants' claim, the TPP measures result in situations where such 'likelihood of confusion' no longer occurs with respect to certain tobacco-related trademarks, then the circumstances foreseen in Article 16.1, and against which Members must provide protection under this provision, have not arisen.

There is nothing in the text of the first sentence of Article 16.1 to suggest – as the complainants imply – an obligation by Members not only to provide protection where

obligated to refrain from regulatory conduct that might impair a trademark owner's ability to maintain the distinctiveness of a sign in order to satisfy the 'likelihood of confusion' criteria. "12

13. In rejecting the claim, the Panel concluded:

"This confirms our view that, in the absence of a positive right to use a trademark, regulatory measures that do not affect the negative right to prevent infringing uses are not prohibited by Article 16. Conversely, measures that do constrain the right to prevent provided in Article 16.1 do violate the Agreement – whether they do so incidentally or directly. However, the negative Article 16.1 right to prevent infringing uses does not extend to an entitlement to maintain or extend the distinctiveness of an individual trademark, which inevitably fluctuates according to market conditions." (WT/DS172/AB/R, para. 703)

In light of the above, we find that the obligation to give a legally operative meaning to all the provisions in Section 2 of Part II of the TRIPS Agreement harmoniously, without reducing any of them to redundancy, as required

ownership of a trademark. Granted, under United States law, the registration of a trademark does confer a prima facie presumption of the registrant's ownership of the registered trademark and of the registrant's exclusive right to use that trademark in commerce. But, while we agree with the Panel that the presumptive owner of the registered trademark must be entitled, under United States law, to the exclusive rights flowing from Article 16.1 unless and until the presumption arising from registration is successfully challenged through court or administrative proceedings, we do not agree with the European Communities' evident equation of registration with ownership."¹⁸

1.3

trademark status of individual trademarks, or to provide a "minimum opportunity" to use a trademark in the market. ²⁰

21. In Australia –