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1 ARTICLE 20

1.1 Text of Article 20

Article 20

Other Requirements

> 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.

1.2 General, including burden of proof

1. In determining its overall approach to the examination of the complainants' claims, including the allocation of burden of proof, the Panel in *Australia – Tobacco Plain Packaging* noted that Article 20, on its face, does not prohibit as a matter of principle all measures that impose encumbrances upon the use of a trademark in the course of trade. Rather, it disallows only those special requirements that "unjustifiably encumber" the use of a trademark in the course of trade. The structure of the first sentence of Article 20 suggests that it establishes a single obligation, rather than an obligation and exception thereto. The commitment that Members have undertaken under the terms of Article 20 is thus to not "unjustifiably encumber[] by special requirements" the use of a trademark in the course of trade.[1] As regards the allocation of burden of proof, the Panel concluded that:

> "[I]n line with the general principles on burden of proof in WTO dispute settlement as confirmed by the Appellate Body on a number of occasions, the initial burden of proof is not borne by the respondent to show that any encumbrances it has adopted are justifiable. We conclude, therefore, that it is for the complainants to present a *prima facie* case that the TPP measures amount to special requirements and that the use of

[1] Panel Reports, *Australia – Tobacco Plain Packaging*, para. 7.2164.

> a trademark in the course of trade is unjustifiably encumbered by these requirements."[2]

1.3 Article 20

1.3.1 "special requirements"

2. The Panel in *Australia – Tobacco Plain Packaging*, in considering the extent to which prohibitions on the use of a trademark may constitute "special requirements" within the meaning of Article 20, first noted that "the plain meaning of the term 'requirement' does not imply permitting a certain action or behaviour, to the exclusion of banning or prohibiting certain actions".[3] The Panel then proceeded to provide an interpretation of the term "special requirements":

> "The elements above suggest that the term 'special requirements' refers to a condition that must be complied with, has a close connection with or specifically addresses the 'use of a trademark in the course of trade', and is limited in application. This may include a requirement not to do something, in particular a prohibition on using a trademark."[4]

3. The dispute in *Indonesia – Autos* occurred before the end of the transitional period for developing country Members to implement certain provisions of the TRIPS Agreement. However, the complaint raised Article 20 only in conjunction with two other articles to which the transitional period did not apply. With respect to the claim concerning national treatment under Article 3, the Panel did not consider the provisions of the relevant Indonesian law as "requirements" within the meaning of Article 20:

> "In taking up the first of these questions, [i.e. is the use of a trademark to which the Indonesian law and practices at issue relates 'specifically addressed' by Article 20] the issue to be considered initially is whether the Indonesian law and practices in question constitute a special requirement that might encumber the use of the trademarks of nationals of other WTO Members in terms of Article 20 of the TRIPS Agreement. The United States has put forward two basic arguments on this question, which are similar to the arguments it has put forward also in regard to the maintenance of trademarks. … The first argument is that a foreign company that enters into an arrangement with a Pioneer company would be encumbered in using the trademark that it used elsewhere for the model that was adopted by the National Car Programme. We do not accept that this argument establishes an inconsistency with the provisions of Article 20, for the reason … that, if a foreign company enters into an arrangement with a Pioneer company it does so voluntarily and in the knowledge of any consequent implications for its ability to use any pre-existing trademark. In these circumstances, we do not consider the provisions of the National Car Programme as they relate to trademarks can be construed as 'requirements', in the sense of Article 20.
>
> The second United States argument is that non-Indonesian car companies are encumbered in using their trademarks in Indonesia by being put at a competitive disadvantage because the cars produced under the National Car Programme bearing the Indonesian trademark benefit from tariff, subsidy and other benefits flowing from that programme. In regard to this argument, we also feel that the points developed in our earlier discussion of the United States claims regarding the maintenance of trademarks are relevant in particular in paragraph 14.273 above. Moreover, the United States has not explained to our satisfaction how the ineligibility for benefits accruing under the National Car Programme could constitute 'requirements' imposed on foreign trademark holders, in the sense of Article 20 of the TRIPS Agreement."[5]

4. The Panel in *Indonesia – Autos* made the same finding with respect to the claim concerning the commitment under Article 65.5:

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[2] Panel Reports, *Australia – Tobacco Plain Packaging*, para. 7.2169.
[3] Panel Reports, *Australia – Tobacco Plain Packaging*, para. 7.2222.
[4] Panel Reports, *Australia – Tobacco Plain Packaging*, para. 7.2231.
[5] Panel Report, *Indonesia – Autos*, paras. 14.277-14.278.

> "The arguments put forward by the United States in support of its claim are essentially the same as those that have been considered in paragraphs 14.277 and 14.278 above. For the reasons set out in those paragraphs above, we find that the United States has not demonstrated that measures have been taken that reduce the degree of consistency with the provisions of Article 20 and which would therefore be in violation of Indonesia's obligations under Article 65.5 of the TRIPS Agreement."[6]

1.3.2 "encumber"

5. The Panel in *Australia – Tobacco Plain Packaging*, in considering the meaning of the term "encumber", in particular the extent to which the term covers prohibitions on the use of a trademark, stated that "[w]e see no basis for assuming that a 'special requirement' prohibiting entirely the use of a trademark would not 'hinder' or 'hamper' the use of such trademark".[7] It, therefore, was of the view that:

> "[E]ncumbrances arising from special requirements within the meaning of Article 20 may range from limited encumbrances, such as those resulting from the specific types of requirements mentioned in the first and second sentences of Article 20, to more extensive encumbrances, such as a prohibition on the use of a trademark in certain situations."[8]

1.3.3 "in the course of trade"

6. The Panel in *Australia – Tobacco Plain Packaging* considered whether the phrase "in the course of trade" is limited to acts undertaken during buying and selling of goods for profit and culminates at the point of sale, and found that:

> "The ordinary meaning of the term 'trade' refers to '[t]he action of buying and selling goods and services'. The phrase 'in the course of' means 'in the process of, during the progress of'. In our view, taking these terms in aggregate, the phrase 'in the course of trade' is not, on its face, limited to 'trade' in the sense of 'buying and selling' but more broadly covers the process relating to commercial activities.
>
> …
>
> [A]t least some commercial activities taking place after the retail sale are covered by the phrase 'in the course of trade'.
>
> In light of the above, we do not find support in the language of Article 20 or its context for the assertion that "in the course of trade" culminates or terminates at the point of sale."[9]

1.3.4 "use"

7. The Panel in *Australia – Tobacco Plain Packaging* considered whether the relevant "use" of a trademark in the course of trade within the meaning of Article 20 is limited to its use for the purpose of distinguishing the goods or services of one undertaking from those of other undertakings, and found that:

> "Under Article 20, Members have undertaken not to unjustifiably encumber by special requirements the 'use' of a trademark in the course of trade. On its face, this language is very general and does not qualify the nature of relevant 'use' or otherwise circumscribe this obligation in terms of any particular uses, i.e. any particular ways in which the trademark holder might wish to use the trademark, other than such use being 'in the course of trade'.

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[6] Panel Report, *Indonesia – Autos*, para. 14.282.
[7] Panel Reports, *Australia – Tobacco Plain Packaging*, para. 7.2236.
[8] Panel Reports, *Australia – Tobacco Plain Packaging*, para. 7.2239.
[9] Panel Reports, *Australia – Tobacco Plain Packaging*, paras. 7.2261 and 7.2263-7.2264.

…

> For the above reasons, we find that the relevant 'use' for the purposes of Article 20 is not limited to the use of a trademark for the specific purpose of distinguishing the goods and services of one undertaking from those of other undertakings."[10]

1.3.5 "unjustifiably"

8. The Panel in *Australia – Tobacco Plain Packaging*, in considering the meaning of the term "unjustifiably", first sought the ordinary meaning of that term in its context:

> "In Article 20, the term 'unjustifiably' qualifies the verb 'encumbered'. The above definitions therefore suggest that the term 'unjustifiably', as used in Article 20, connotes a situation where the use of a trademark is encumbered by special requirements in a manner that lacks a justification or reason that is sufficient to support the resulting encumbrance."[11]

9. The Panel then considered how it should be determined whether there are reasons that sufficiently support the encumbrance resulting from special requirements. Read against the broader context of the Preamble and Articles 7 and 8, the Panel understood the requirement under Article 20 that the use of trademarks in the course of trade not be "unjustifiably" encumbered as reflecting a recognition that there may be legitimate reasons for which a Member may encumber such use. The term "unjustifiably" defines, in the specific context of encumbrances in respect of the use of trademarks, the applicable standard for the permissibility of such encumbrances.[12] The Panel considered that paragraph 5 of the Doha Declaration on the TRIPS Agreement and Public Health constitutes a "subsequent agreement" of WTO Members within the meaning of Article 31(3)(a) of the Vienna Convention,[13] and that the guidance provided by that Declaration confirms the Panel's view that Articles 7 and 8 of the TRIPS Agreement provide important context for the interpretation of Article 20.[14]

10. In *Australia – Tobacco Plain Packaging*, Honduras argued before the Appellate Body that the Panel erred in relying on the Doha Declaration in its interpretation of Article 20 because the Doha Declaration relates to the question of access to medicines and patents, and does not relate to any provisions of the TRIPS Agreement concerning trademarks. The Appellate Body agreed with the Panel that paragraph 5(a) of the Doha Declaration reflects "the applicable rules of interpretation, which require a treaty interpreter to take account of the context and object and purpose of the treaty being interpreted".[15] Therefore, regardless of the legal status of the Doha Declaration, the Appellate Body saw no error in the Panel's reliance on this general principle of treaty interpretation. The Appellate Body was also of the view that "in any event, the reliance on the Doha Declaration was not of decisive importance for the Panel's reasoning since the Panel had reached its conclusions about the contextual relevance of Articles 7 and 8 of the TRIPS Agreement to the interpretation of Article 20 before it turned to the Doha Declaration".[16]

11. The Appellate Body in *Australia – Tobacco Plain Packaging* considered that "the term 'unjustifiably' suggests the degree of rationalization that needs to be provided for imposing encumbrances on the use of a trademark by special requirements under Article 20."[17] The Appellate Body observed that several other provisions of the TRIPS Agreement refer to different permutations of the concept of necessity. To the Appellate Body, this indicated that "a different meaning is sought to be reflected through the use of the term "unjustifiably" as opposed to terms

[10] Panel Reports, *Australia – Tobacco Plain Packaging*, paras. 7.2280 and 7.2286.
[11] Panel Reports, *Australia – Tobacco Plain Packaging*, para. 7.2295.
[12] Panel Reports, *Australia – Tobacco Plain Packaging*, para. 7.2405. See also the summaries under the Preamble and Articles 7 and 8 of the TRIPS Agreement.
[13] Panel Reports, *Australia – Tobacco Plain Packaging*, para. 7.2409.
[14] Panel Reports, *Australia – Tobacco Plain Packaging*, para. 7.2411.
[15] Appellate Body Reports, *Australia – Tobacco Plain Packaging*, para. 6.657.
[16] Appellate Body Reports, *Australia – Tobacco Plain Packaging*, para. 6.658.
[17] Appellate Body Reports, *Australia – Tobacco Plain Packaging*, para. 6.646.

conveying the concept of necessity in the sense of Article XX of the GATT 1994 or Article 2.2 of the TBT Agreement."[18] The Appellate Body further noted:

> "In our view, the term 'unjustifiably' in Article 20 of the TRIPS Agreement reflects the degree of regulatory autonomy that Members enjoy in imposing encumbrances on the use of trademarks through special requirements. The reference to the notion of justifiability rather than necessity in Article 20 suggests that the degree of connection between the encumbrance on the use of a trademark imposed and the objective pursued reflected through the term 'unjustifiably' is lower than it would have been had a term conveying the notion of 'necessity' been used in this provision. Accordingly, a consideration of whether the use of a trademark has not been 'unjustifiably' encumbered should not be equated with the necessity test within the meaning of Article XX of the GATT 1994 or Article 2.2 of the TBT Agreement."[19]

12. The Panel in *Australia – Tobacco Plain Packaging* also considered that it must discern the proper meaning of the term "unjustifiably" as it is used in Article 20, rather than determine its meaning primarily in opposition to any other term.[20] Furthermore, an assessment of whether special requirements "unjustifiably" encumber the use of a trademark must take due account of the encumbrance resulting from the special requirements and how it affects the legitimate interest of the trademark owner in using its trademark.[21] The Panel concluded that:

> "Article 20 reflects the balance intended by the drafters of the TRIPS Agreement between the existence of a legitimate interest of trademark owners in using their trademarks in the marketplace, and the right of WTO Members to adopt measures for the protection of certain societal interests that may adversely affect such use.
>
> In light of the above, we find that a determination of whether the use of a trademark in the course of trade is being 'unjustifiably' encumbered by special requirements should involve a consideration of the following factors:
>
> a. the nature and extent of the encumbrance resulting from the special requirements, bearing in mind the legitimate interest of the trademark owner in using its trademark in the course of trade and thereby allowing the trademark to fulfil its intended function;
>
> b. the reasons for which the special requirements are applied, including any societal interests they are intended to safeguard; and
>
> c. whether these reasons provide sufficient support for the resulting encumbrance.
>
> We do not find it necessary, at this stage of our analysis, to determine further, in the abstract, how exactly the different interests at issue should be 'weighed and balanced' in order to reach a conclusion as to whether an encumbrance on the use of a trademark should be found to be 'unjustifiable' in a given case. Rather, this assessment will, in our view, need to be carried out on a case-by-case basis, in the light of the particular circumstances of the case."[22]

13. The Appellate Body in *Australia – Tobacco Plain Packaging* upheld Panel's interpretation that a determination of whether the use of a trademark in the course of trade is being "unjustifiably" encumbered by special requirements could involve a consideration of: (i) the nature and extent of encumbrances resulting from special requirements, taking into account the legitimate interest of the trademark owner in using its trademark in the course of trade; (ii) the reasons for the imposition of special requirements; and (iii) a demonstration of how the reasons for the imposition

[18] Appellate Body Reports, *Australia – Tobacco Plain Packaging*, para. 6.646.
[19] Appellate Body Reports, *Australia – Tobacco Plain Packaging*, para. 6.647.
[20] Panel Reports, *Australia – Tobacco Plain Packaging*, para. 7.2415. See also paras. 7.2412-7.2422.
[21] Panel Reports, *Australia – Tobacco Plain Packaging*, paras. 7.2423-7.2428. See also the discussion in para. 22 below.
[22] Panel Reports, *Australia – Tobacco Plain Packaging*, paras. 7.2429-7.2431.

of special requirements support the resulting encumbrances.[23] However, the Appellate Body clarified that:

> "[W]hile an inquiry under Article 20 could include the consideration of the above-mentioned factors, the degree of discretion vested in Members under Article 20 does not call for a rigid and exact set of considerations that are relevant for the examination of whether the use of a trademark is unjustifiably encumbered by special requirements."[24]

14. The Panel in *Australia – Tobacco Plain Packaging* then considered an argument that the prohibition of the use of certain trademarks on tobacco retail packaging and products rises to a level of restrictiveness that cannot be justified under any circumstances. It concluded that:

> "[S]pecial requirements that involve a high degree of encumbrance, such as those in the TPP measures that prohibit the use of stylized word marks, composite marks, and figurative marks, are not *per se* unjustifiable. Rather, as discussed above, we must apply to them the same standard of review … as to other special requirements contained in the TPP measures."[25]

15. The Panel in *Australia – Tobacco Plain Packaging*, in considering whether Article 20 requires the "unjustifiability" of any "special requirements" imposed on the use of trademarks to be assessed, in all cases, in relation to each individual trademark and its specific features, first examined the text of Article 20:

> "We note that this text, both in its first and second sentences, is silent on whether any special requirements it refers to concern the use of individual trademarks or a class of trademarks, or use of trademarks in particular situations. The text merely provides that such special requirements shall not unjustifiably encumber the use of "a trademark" in the course of trade.
>
> As described above, the parties disagree on the implications of the use of the term "a trademark" in the singular in the first sentence of Article 20. We agree with Australia and a number of third parties that the use of this term in the singular is a drafting convention used in many provisions of the TRIPS Agreement, and we are therefore not persuaded that it implies, as such, that the justifiability of any special requirements must be assessed in respect of each individual trademark."[26]

16. Having further considered the context and prior jurisprudence, the Panel concluded:

> "In light of the above, we find that Article 20 does not require the unjustifiability of special requirements under Article 20 to be in all cases assessed by a Member in respect of individual trademarks and their specific features. The extent to which an assessment of the unjustifiability of specific encumbrances will require an assessment on the basis of individual trademarks and their specific features will depend on the circumstances of the case. In particular, when a Member applies such requirements to a class of trademarks or to some specific types of situations rather than to the specific features of particular trademarks, an assessment of unjustifiability of such requirements may need to focus on their overall rationale as it relates to the reason for adopting them."[27]

17. In *Australia – Tobacco Plain Packaging*, Honduras argued before the Appellate Body that only concerns that are directly linked to the trademark, such as its potentially misleading nature, can permissibly trigger an encumbrance on the trademark's use. The Appellate Body disagreed with Honduras and found that encumbrances on the use of trademarks by special requirements under Article 20 may also be imposed in pursuit of public health objectives. The Appellate Body explained:

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[23] Appellate Body Reports, *Australia – Tobacco Plain Packaging*, para. 6.651.
[24] Appellate Body Reports, *Australia – Tobacco Plain Packaging*, fn 1683.
[25] Panel Reports, *Australia – Tobacco Plain Packaging*, para. 7.2442.
[26] Panel Reports, *Australia – Tobacco Plain Packaging*, paras. 7.2493-7.2494.
[27] Panel Reports, *Australia – Tobacco Plain Packaging*, para. 7.2505.

> "In our view, reasons for the imposition of special requirements do not have to relate to the trademark itself. Article 15.2 of the TRIPS Agreement and Article 6*quinquies* B of the Paris Convention (1967), which Honduras refers to, set out trademark-specific concerns that may serve as a basis for denying registration of a trademark or its invalidation, which include, inter alia, concerns pertaining to a trademark's deceitful nature. In particular, Article 6*quinquies* of the Paris Convention (1967) provides that registration of a trademark may be denied, or a trademark may be invalidated, if it is contrary to morality or public order and is of such a nature as to deceive the public. These concerns, however, are pertinent to the registration or invalidation of a trademark. By contrast, Article 20, which regulates the imposition of encumbrances on the use of a trademark through special requirements, is silent as to the reasons for which special requirements may be imposed. In this connection, we note that Article 8 of the TRIPS Agreement, titled "Principles", provides, in paragraph 1, that Members may "adopt measures necessary to protect public health and nutrition, and to promote the public interest in sectors of vital importance to their socio-economic and technological development, provided that such measures are consistent with the provisions of this Agreement". Measures seeking to protect public health and nutrition encompass a range of measures specifically contemplated by the TRIPS Agreement, including through exceptions to exclusive patent rights (Article 30), compulsory licences (Article 31), and the disclosure to the public of test data (Article 39.3). In this vein, we agree with the Panel that encumbrances on the use of trademarks by special requirements under Article 20 may also be imposed in pursuit of public health objectives."[28]

18. The Panel in *Australia – Tobacco Plain Packaging* considered the relevance of domestic procedures applied for the adoption of the challenged measure for the assessment of the compliance of those measures with Article 20, and noted that:

> "We established [above] the standard of review for assessing whether special requirements 'unjustifiably' encumber the use of a trademark within the meaning of Article 20. We do not exclude the possibility that the manner in which a measure was prepared and adopted may inform the assessment of the unjustifiability of specific 'special requirements' under that standard. However, in our view, Article 20 does not impose any specific independent obligation on Members as to how they should design their domestic legislative procedures or how those procedures should operate. A Member's compliance with its own domestic regulatory procedures does not, in itself, determine whether a Member has complied with its obligations under Article 20."[29]

19. The Panel in *Australia – Tobacco Plain Packaging*, in considering the relevance of possible alternative measures to address the policy objective of the challenged measure for its assessment of the compliance of those measures with Article 20, recalled its finding that a determination of whether the use of a trademark in the course of trade is being "unjustifiably" encumbered by special requirements should involve a consideration of (i) the nature and extent of the encumbrance resulting from the special requirements, (ii) the reasons for which the special requirements are applied, including any societal interests they are intended to safeguard; and (iii) whether these reasons provide sufficient support for the resulting encumbrance.[30] The Panel further noted that:

> "In our view, the term 'unjustifiably' in Article 20 provides a degree of latitude to a Member to choose an intervention to address a policy objective, which may have some impact on the use of trademarks in the course of trade, as long as the reasons sufficiently support any resulting encumbrance. This, however, does not mean that the availability of an alternative measure that involves a lesser or no encumbrance on the use of trademarks could not inform an assessment of whether the reasons for which the special requirements are applied sufficiently support the resulting encumbrance. We do not exclude the possibility that the availability of an alternative measure could, in the circumstances of a particular case, call into question the reasons a respondent would have given for the adoption of a measure challenged

[28] Appellate Body Reports, *Australia – Tobacco Plain Packaging*, para. 6.649.
[29] Panel Reports, *Australia – Tobacco Plain Packaging*, para. 7.2551.
[30] Panel Reports, *Australia – Tobacco Plain Packaging*, para. 7.2597.

> under Article 20. This might be the case in particular if a readily available alternative would lead to at least equivalent outcomes in terms of the policy objective of the challenged measure, thus calling into question whether the stated reasons sufficiently support any encumbrances on the use of trademarks resulting from the measure."[31]

20. In *Australia – Tobacco Plain Packaging*, Honduras argued before the Appellate Body that the Panel erred by not considering it necessary for a Member, when imposing special requirements, to opt for a less trademark-encumbering special requirement if such is available and provides an equivalent contribution. The Appellate Body rejected Honduras' argument:

> "Honduras' suggestion that the encumbrances imposed by special requirements 'must at least be 'necessary' in order to be 'justifiable'' presupposes that the standard of 'unjustifiability' under Article 20 should be at least equivalent to the standard of 'necessity'. As noted, the use of the term 'unjustifiably' in Article 20, as opposed to other provisions of the TRIPS Agreement, which refer to the concept of necessity, indicates that the degree of discretion granted to Members through the term 'unjustifiably' is higher than it would have been, had a term conveying the notion of 'necessity' been used. Therefore, we do not consider that the test of necessity, which includes a consideration of alternative measures, could be transposed into the examination of whether the use of a trademark is unjustifiably encumbered by special requirements under Article 20 of the TRIPS Agreement. This does not mean that, in the circumstances of a particular case, the existence of an alternative measure involving a lesser degree of encumbrance on the use of a trademark cannot be used as a consideration in evaluating the justifiability of special requirements and related encumbrances on the use of a trademark. However, such an examination is not a necessary inquiry under Article 20 of the TRIPS Agreement."[32]

1.3.6 The list of examples in the first sentence of Article 20

21. The Panel in *Australia – Tobacco Plain Packaging* considered an argument that trademark restrictions that fall within the illustrative list of measures in the first sentence of Article 20 are to be deemed "presumptively invalid", and found that:

> "[T]he term 'such as' is placed immediately after the term 'special requirements', indicating that the enumeration that follows identifies examples of 'special requirements'. … We therefore find that the situations identified in this list are illustrations of special requirements, rather than examples of encumbrances that are presumptively 'unjustifiable'. Special requirements falling within the scope of one of the three examples are therefore subject to the same obligation as other special requirements, namely that they shall not unjustifiably encumber the use of a trademark in the course of trade."[33]

1.4 Relationship with other provisions of the TRIPS Agreement

22. In addition to seeking to establish the ordinary meaning of the term "unjustifiably" in Article 20, the parties to *Australia – Tobacco Plain Packaging* sought guidance in this respect from the interpretation of the term "unjustifiable" in other provisions of the covered agreements, or by contrasting the term "unjustifiably" to the terms "unnecessarily" or "necessary" and related terms in other provisions of the covered agreements. The Panel considered that:

> "[W]e must discern the proper meaning of the term 'unjustifiably' as it is used in Article 20, rather than determine its meaning primarily in opposition to any other term. At the same time, we also consider that the use of identical or different terms in different provisions of the covered agreements may provide relevant context and shed light on the meaning to be given to each of them in their respective contexts. Thus,

[31] Panel Reports, *Australia – Tobacco Plain Packaging*, para. 7.2598.
[32] Appellate Body Reports, *Australia – Tobacco Plain Packaging*, para. 6.653.
[33] Panel Reports, *Australia – Tobacco Plain Packaging*, paras. 7.2425-7.2526. In a different context, the Panel also found that, since the list in the first sentence of Article 20 is illustrative, it does not imply that other types of requirements, including a requirement amounting to a prohibition on use, would be precluded from falling within the scope of Article 20. See ibid. para 7.2226.

> the use of different terms within a covered agreement has been interpreted as implying a deliberate choice designed to convey different meanings. …
>
> Conversely, the use of the same term in different contexts does not necessarily imply a complete identity of meaning. …
>
> …
>
> In Article 20 of the TRIPS Agreement, the 'kind or degree of connection or relationship between the measure under appraisal and the state interest or policy sought to be promoted or realized', as the Appellate Body puts it, is expressed through the use of the term 'unjustifiably'. …
>
> We note that the term 'necessary', by contrast, is used in a number of other provisions of the TRIPS Agreement, namely in Articles 3.2, 8.1, 27.2, 39.3, 43.2, 50.5 and 73(b), as well as Article 11(3) of the Paris Convention (1967) and Article 17 of the Berne Convention (1971) as incorporated by reference into the TRIPS Agreement. The term is also used in paragraphs 1 and 3 of Article 31*bis* of the TRIPS Agreement, as well as in paragraphs 1(a) and 2(b)(i) of the Annex to the TRIPS Agreement. The term 'unnecessarily' is used in Article 41.2 of the TRIPS Agreement. In our view, this context supports the implication of a deliberate choice of a distinct term 'unjustifiably' in Article 20. We do not consider, therefore, that the term 'unjustifiably' in Article 20 of the TRIPS Agreement should be assumed to be synonymous with 'unnecessarily'."[34]

1.4.1 Article 17

23. The Panel in *Australia – Tobacco Plain Packaging*, in considering whether the concept of "legitimate interests" of trademark owners in Article 17 provides relevant context for the interpretation of Article 20, first recalled that the panel in *EC – Trademarks and Geographical Indications* had distinguished the "legitimate interests" of the trademark owner from the "rights conferred by a trademark" and agreed with the panel in *Canada – Pharmaceutical Patents* that, "[t]o make sense of the term 'legitimate interests' in this context, that term must be defined in the way that it is often used in legal discourse – as a normative claim calling for protection of interests that are 'justifiable' in the sense that they are supported by relevant public policies or other social norms".[35] The Panel noted that:

> "Article 20 does not address the granting by WTO Members of 'exceptions to the rights conferred' by a trademark. Nor does it expressly refer to a concept of 'legitimate interest' of the trademark owner that should be taken into account. Nonetheless, we agree that Article 17 may provide relevant context for the interpretation of Article 20, insofar as it can inform our understanding of the nature and extent of relevant interests of trademark owners that are recognized as 'legitimate' by the TRIPS Agreement. In particular, we note that the panel in *EC – Trademarks and Geographical Indications* found that, '[e]very trademark owner has a legitimate interest in preserving the distinctiveness, or capacity to distinguish, of its trademark so that it can perform that function. This includes its interest in using its own trademark in connection with the relevant goods and services of its own and authorized undertakings.'"[36]

24. Before the Appellate Body in *Australia – Tobacco Plain Packaging*, Honduras argued that the context provided by Article 17 of the TRIPS Agreement suggests that encumbrances on the use of trademarks under Article 20 cannot be determined by public policy concerns and "must be 'limited' in nature".[37] The Appellate Body recalled that Article 17 of the TRIPS Agreement stipulates that Members may provide "limited" exceptions to the rights conferred by a trademark, provided that such exceptions "take account of the legitimate interests of the owner of the trademark". The Appellate Body disagreed that Article 17 informs the interpretation of Article 20 in the way suggested by Honduras:

[34] Panel Reports, *Australia – Tobacco Plain Packaging*, paras. 7.2415-7.2416, and 7.2418-7.2419.
[35] Panel Reports, *Australia – Tobacco Plain Packaging*, para. 7.2426.
[36] Panel Reports, *Australia – Tobacco Plain Packaging*, para. 7.2427.
[37] Appellate Body Reports, *Australia – Tobacco Plain Packaging*, para. 6.650.

> "[P]ursuant to Article 17, Members should give consideration to such 'legitimate interests' along with other factors (including the legitimate interests of third parties) before reaching a decision on whether to provide for a limited exception to the rights conferred by a trademark. As the panel in *EC – Trademarks and Geographical Indications (Australia)* and *EC – Trademarks and Geographical Indications (US)* observed, '[e]very trademark owner has a legitimate interest in preserving the distinctiveness, or capacity to distinguish, of its trademark so that it can perform that function. This includes its interest in using its own trademark in connection with the relevant goods and services of its own and authorized undertakings.' While Article 20, unlike Article 17, is not an exception to the rights conferred by a trademark, both provisions concern restrictions on trademarks. Furthermore, in these appellate proceedings it is uncontested that a trademark owner has a 'legitimate interest' in using its trademark in the course of trade. We therefore consider that, in examining whether the use of a trademark has been unjustifiably encumbered by special requirements under Article 20, the legitimate interests of the trademark owner in using the trademark and preserving its distinctiveness should be taken into account. Therefore, while we agree with Honduras that Article 17 provides relevant context for the interpretation of Article 20, we do not consider that it informs that provision in the way suggested by Honduras."[38]

1.4.2 Article 19

25. In considering parties' references to the title and the text of Article 19 of the TRIPS Agreement in support of their respective interpretations of Article 20, the Panel in *Australia – Tobacco Plain Packaging* first noted that "[t]he 'other requirements' in the title of Article 20 evidently refer to something other than the requirement of use addressed in Article 19". It added that:

> "[The second sentence of Article 19] does not distinguish between government requirements that affect trademarks incidentally or directly. Furthermore, in our view, 'government requirements' as referred to in the second sentence of Article 19 and 'special requirements' addressed in Article 20 are not mutually exclusive notions. The fact that Article 19 contemplates the existence of a government measure that prevents the use of a trademark and addresses the consequences of such measures in respect of the maintenance of registration based on use does not, as such, address whether any such measure would amount to a special requirement affecting the use of a trademark and be subject to the disciplines of Article 20. In light of these elements, we are not persuaded that Article 19 supports the proposition that the 'special requirements' referred to in Article 20 are limited in scope to situations in which the use of the relevant trademark is allowed."[39]

1.5 Relationship with other WTO Agreements

26. In *Australia – Tobacco Plain Packaging*, the Panel examined the relationship between the TBT Agreement and the TRIPS Agreement, and their relevant provisions, to the extent necessary to determine whether it would be inappropriate to consider under Article 2.2 of the TBT Agreement the tobacco plain packaging measures relating to the use of trademarks on tobacco products and their retail packaging. The Panel noted that:

> "[W]e see no basis to assume the existence of a conflict between Article 20 of the TRIPS Agreement and Article 2.2 of the TBT Agreement – either under the various definitions of conflict described above, or in the sense suggested by Australia, that would require us to abstain from examining aspects of the TPP measures that may fall within the scope of application of both the TBT and TRIPS Agreements. Rather, as elaborated above, we must assume that both agreements apply cumulatively and harmoniously."[40]

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[38] Appellate Body Reports, *Australia – Tobacco Plain Packaging*, para. 6.650.
[39] Panel Reports, *Australia – Tobacco Plain Packaging*, para. 7.2230.
[40] Panel Reports, *Australia – Tobacco Plain Packaging*, para. 7.106. See also ibid. para. 7.107.

1.6 Relationship with the Framework Convention on Tobacco Control and its Guidelines

27. In *Australia – Tobacco Plain Packaging*, Honduras argued before the Appellate Body that the Panel had given undue legal weight to the FCTC and its Guidelines. Having examined the relevant parts of the Panel's analysis, the Appellate Body did not agree with Honduras that the Panel attributed undue legal weight to Articles 11 and 13 of the FCTC Guidelines by relying on those provisions to justify Australia's imposition of the TPP measures. In the Appellate Body's view, the Panel referred to Articles 11 and 13 of the FCTC Guidelines as additional factual support to its previous conclusion that the complainants failed to establish that Australia acted inconsistently with Article 20 of the TRIPS Agreement.[41]

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[41] Appellate Body Reports, *Australia – Tobacco Plain Packaging*, para. 6.707.