Trade Marks Amendment (Tobacco Plain Packaging) Bill 2011

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Law and Bills Digest Section

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Trade Marks Amendment (Tobacco Plain Packaging) Bill 2011

Date introduced: 6 July 2011

House: House of Representatives

Portfolio: Innovation, Industry, Science and Research

Commencement: Sections 1–3 on Royal Assent and Schedule 1 on commencement of section 28 of the Tobacco Plain Packaging Act 2011, should the Tobacco Plain Packaging Bill 2011 be passed.

Links: The links to the Bill, its Explanatory Memorandum and second reading speech can be found on the Bill's home page, or through http://www.aph.gov.au/bills/. When Bills have been passed and have received Royal Assent, they become Acts, which can be found at the ComLaw website at http://www.comlaw.gov.au/.

Purpose

The Trade Marks Amendment (Tobacco Plain Packaging) Bill 2011 (the Trade Marks Bill) is one of two Bills aimed at introducing plain packaging of tobacco products. It is a consequential Bill to the principal Bill which is the Tobacco Plain Packaging Bill 2011 (the Plain Packaging Bill). The Trade Marks Bill seeks to amend the Trade Marks Act 1995 (the Trade Marks Act) to enable regulations to be made in relation to the use of trade marks under the Tobacco Plain Packaging Act 2011 (Tobacco Plain Packaging Act), should the Plain Packaging Bill be passed.

Background

For a full background, the reader is referred to the Bills Digest for the Plain Packaging Bill.¹

Main issues and key provisions

Item 1, Schedule 1 of the Bill is the key provision. It inserts proposed section 231A to allow regulations to be made under the Trade Marks Act in relation to the operation of the Tobacco Plain

Packaging Act. Regulations made under this proposed section are only intended to apply to goods or services governed by the Tobacco Plain Packaging Act and its regulations.

Significantly proposed subsection 231A(3) enables any regulations made to be inconsistent with the Trade Marks Act and to prevail over the Act to the extent of the inconsistency.

This so-called ‘Henry VIII clause’ in effect allows the Executive to change the Trade Marks Act by regulation. The Minister’s second reading speech states that the need for this amendment is to provide that in the future, and if necessary, the Government can quickly remedy any unintended interaction between the Tobacco Plain Packaging Act and the Trade Marks Act that cannot be dealt with under the Tobacco Plain Packaging Act.

The Scrutiny of Bills Committee has commented on this clause noting that the Committee consistently draws attention to ‘Henry VIII clauses’ as ‘such provisions clearly involve a delegation of legislative power and can be a matter of concern to the Committee’. In this case, the Committee notes that the Explanatory Memorandum contains a detailed explanation for the possible need for this clause and therefore, the Committee makes no further comment on this section.

This ‘Henry VIII clause’ has been the subject of recent attention, with various reports indicating it may be the basis for a Coalition decision not to agree to pass the Trade Marks Bill. It has been reported that Dr Andrew Southcott, the Coalition spokesman on Primary Healthcare, said that ‘the effect of the legislation would enable the Government to introduce regulations over-riding trademark law – a rare and worrying extension of executive power’. While disputing any suggestion that the Opposition does not support plain packing legislation Dr Southcott is reported as saying that rather their position is that they don’t think the Trade Mark Bill with its regulation making power is necessary for the operation of the plain packaging legislation.

The Explanatory Memorandum notes that this provision is not the first occasion where a ‘Henry VIII clause’ has been used in the Trade Marks Act and draws attention to the equivalent provision in

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2. It is relevant to note that proposed clause 15 of the Tobacco Plain Packaging Bill 2011 provides that, if the Plain Packaging Bill were to result in the acquisition of property on other than just terms, the tobacco industry would be able to use its trade marks, but only subject to the requirements imposed by the regulations with regard to things like size and placement.
3. Explanatory Memorandum, Trade Marks Amendment (Tobacco Plain Packaging) Bill 2011, p. 3.
4. Henry VIII clauses have been variously defined. One definition is a provision which enables the empowering statute to be amended by delegated legislation. D Pearce and S Argument, Delegated legislation in Australia, second edn, Butterworths, 1999.
8. Ibid.

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subsection 189A(3) that authorises the making of regulations to give effect to the Madrid Protocol relating to the Madrid Agreement concerning the International Registration of Marks (Madrid Protocol). This provision was enacted in 2000. The then Parliamentary Secretary to the Minister for Industry, Science and Resources, Warren Entsch, justified its use arguing:

...I would like to point out that the government proposes to put most of the detail of the Madrid protocol procedures into trademark regulations. The bill achieves this by inserting a broad regulation making power into the Trade Marks Act. The approach of having the regulations giving effect to the protocol is consistent with the approach that has been taken in the UK. By putting most of the detail in the regulations, any changes to the Madrid protocol procedures can be handled more flexibly and efficiently. Parliament always has the opportunity to disallow regulations if it believes that the subject matter exceeds permissible boundaries for the regulation.

Both the 2000 provision and the 2011 amendment proposed in the Trade Marks Bill appear to justify the use of a ‘Henry VIII clause’ for the same reason, namely to provide more flexibility and efficiency due to changes made in international instruments.

While the focus of the explanation for the ‘Henry VII clause’ in the Trade Marks Bill is on the Madrid Protocol, the link is somewhat obscure. Is this regulation making power there in case there are changes to do with international conventions underpinning plain packaging, or, is the power there to allow for rapid changes following possible judicial consideration of the plain packaging legislation, or, is it there to ensure that businesses can continue to register new trade marks and protect registered trade marks from infringement (as stated in the second reading speech)? Arguably the Government’s explanatory materials could be more helpful in this regard.

It is of note that on 18 August 2011, over a month after introduction, the provisions of the Trade Mark Bill have been re-referred to the Legal and Constitutional Affairs Legislation Committee for inquiry and report by 19 September 2011— the reason for referral being an examination of the constitutionality of the provisions.

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11. N Roxon, ‘Second reading speech: Trade Marks Amendment (Tobacco Plain Packaging) Bill 2011’, op. cit. However, it is noted that proposed clause 28 of the Tobacco Plain Packaging Bill 2011 provides for the protection of these trademarks by specifying that while a registered owner may not use their trade mark on tobacco products and their packaging, the Registrar of Trade Marks may not, among other things: refuse to register the trade mark, revoke the acceptance of an application for registration of the trade mark, impose conditions or limitations on registration of the trade mark, or, revoke registration of the trade mark.

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