

**IN THE HIGH COURT OF AUSTRALIA
SYDNEY REGISTRY**

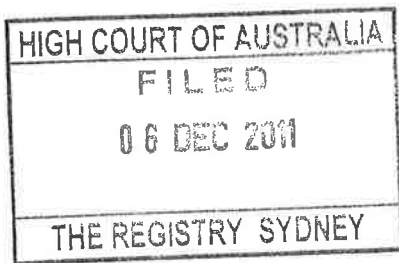
No **8399** of 2011

BETWEEN:

10

VAN NELLE TABAK NEDERLAND BV

First Plaintiff



**IMPERIAL TOBACCO AUSTRALIA
LIMITED
ACN 088 148 681**

Second Plaintiff

and

COMMONWEALTH OF AUSTRALIA

Defendant

WRIT OF SUMMONS

30

TO THE DEFENDANT

Commonwealth of Australia
C/ - Australian Government Solicitor
Level 42, MLC Centre
19 Martin Place
Sydney NSW 2000



Date of document: 6 December 2011
Filed on behalf of the Plaintiffs by:
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File: 02-5500-9204

TAKE NOTICE that this proceeding has been brought against you by the Plaintiffs for the claim set out in this Writ.

IF YOU INTEND TO DEFEND the proceeding you must file a notice of appearance in the office of the Registry named above.

10 IF YOU ARE WILLING TO SUBMIT to any order that the Court may make, save as to costs, you may file a submitting appearance in the office of the Registry named above.

THE TIME FOR FILING AN APPEARANCE is as follows:

- (a) where you are served with the application within Australia – 14 days from the date of service;
- (b) in any other case – 42 days from the date of service.



STATEMENT OF CLAIM

Jurisdiction

- 1 This matter is within the original jurisdiction of the High Court of Australia, being a matter in which the Commonwealth is a party and/or a matter arising under the Constitution and involving its interpretation.

Parties

- 2 The First Plaintiff (**Van Nelle**):

- 10 (a) is a corporation incorporated under the laws of the Netherlands and is entitled to sue in and by its corporate name and style;
- (b) is the owner of each of the registered trade marks set out in Schedule A (**the Peter Stuyvesant Trade Marks**), being trade marks which have been registered in Australia in connection with cigarettes sold under the brand name “Peter Stuyvesant” (**Peter Stuyvesant Cigarettes**).

- 3 The Second Plaintiff (**ITA**):

- (a) is a corporation incorporated in Australia and is entitled to sue in and by its corporate name and style;
- (b) with Van Nelle, has control over the appearance of the retail packaging of Peter Stuyvesant Cigarettes sold in Australia (**Packaging**) and causes it to be manufactured such that it includes or is comprised of the distinctive features and get up set out in Schedule B (**the Peter Stuyvesant Get Up**), which includes certain of the Peter Stuyvesant Trade Marks;
- 20 (c) carries on, and at all material times has carried on, the business of importing Peter Stuyvesant Cigarettes into Australia and marketing, selling and distributing Peter Stuyvesant Cigarettes in Australia under an exclusive licence or licences granted by Van Nelle (in so far as those activities involve the use of the Peter Stuyvesant Trade Marks or other relevant intellectual property rights in the Peter Stuyvesant Get Up);
- (d) has, by the activities referred to in sub-paragraphs (b) and (c), established reputation and goodwill in connection with the Peter Stuyvesant Cigarettes and the Peter Stuyvesant Get Up;
- 30



- (e) owns the physical materials comprising the Packaging at the point at which packaged Peter Stuyvesant Cigarettes are distributed within Australia.

4 The Defendant is the Commonwealth of Australia.

Property for the purposes of section 51(xxxi) of the Constitution

5 The bundle of rights exercisable with respect to the Packaging is property for the purposes of section 51(xxxi) of the Constitution and includes the right of control referred to in paragraph 3(b) above.

6 The reputation and goodwill referred to in paragraph 3(d) above:

- (a) is an interest of a proprietary nature;
- 10 (b) is able to be assigned or transferred to another person, as part of the business referred to in paragraph 3(c) above;
- (c) is currently owned by ITA and/or Van Nelle;
- (d) may be exploited by those whom ITA and/or Van Nelle authorises to do so;
- (e) is currently exploited by ITA in the manner alleged at paragraphs 3(b) and 3(c) above;
- (f) is capable of supporting a chose in action in passing off, which chose in action could itself be assigned to another person;
- (g) is, by reason of some or all of the matters alleged in subparagraphs 6(a)-6(f) above, property, or part of a bundle of rights constituting property, for the
- 20 purposes of section 51(xxxi) of the Constitution.

7 The Peter Stuyvesant Trade Marks:

(a) by reason of section 20 of the *Trade Marks Act 1995* (Cth) (**Trade Marks Act**), confer upon Van Nelle the exclusive rights:

- (i) to use those trade marks;
- (ii) to authorise other persons to use those trade marks;

in relation to the goods in respect of which those trade marks are registered;

(b) are, by reason of section 21(1) of the Trade Marks Act or otherwise, personal property;



- (c) are, by reason of section 21(2) and 22(3) of the Trade Marks Act, subject to the enforcement of such equities as exist in respect of those trade marks (if any) in the same way as equities which exist in respect of any other personal property;
- (d) may, by force of section 22(1) of the Trade Marks Act, be dealt with by Van Nelle as the absolute owner of those trade marks;
- (e) may, under Part 10 of the Trade Marks Act, be assigned to another person;
- (f) by reason of section 145 of the Trade Marks Act may not, when applied to goods that are being dealt with or provided in the course of trade, be falsified or unlawfully removed, without the permission of Van Nelle or ITA (unless required or authorised to do so by the Trade Marks Act, a direction of the Registrar of Trade Marks or an order of a court);
- (g) are capable of being licensed to others or being used by others under the control of the registered owner as an authorised use within the meaning of section 8 of the Trade Marks Act;
- (h) are currently used by ITA under such an authorisation, pursuant to which ITA may exercise the powers referred to in section 26 of the Trade Marks Act;
- (i) may support an action for infringement under Part 12 of the Trade Marks Act and claims for relief, including an injunction, damages and an account of profits;
- (j) are, by reason of some or all of the matters alleged in subparagraphs 7(a)-7(i) above, property, or part of a bundle of rights constituting property, for the purposes of section 51(xxxi) of the Constitution.

Trade Practices (Consumer Product Information Standards) (Tobacco) Regulations 2004 (Cth)

8 In 2004, the Commonwealth made the *Trade Practices (Consumer Product Information Standards) (Tobacco) Regulations 2004 (Cth)* (**the Instrument**) to which the Plaintiffs refer as if set out herein.

Particulars

The Instrument was made pursuant to sections 65D(2) (now repealed) and 172 of the *Trade Practices Act 1974 (Cth)* (now the *Competition and Consumer Act 2010 (Cth)* -



Competition and Consumer Act) and has, from 1 January 2011, continued in force by operation of clause 5 of Schedule 7 of the *Trade Practices Amendment (Australian Consumer Law) Act (No 2) 2010* (Cth) (read with section 3 of that enactment).

9 Amongst other things, the Instrument requires that certain warning, explanatory and information messages and corresponding graphics (**the Government Messages**) be placed on the packaging for tobacco products and in the case of Peter Stuyvesant Cigarettes requires that there appear:

- (a) on the front face of flip-top packs and soft packs, a Government Message which covers at least 30% of the total area of that front face;
- 10 (b) on the back face of flip-top packs, a Government Message which covers at least 90% of the total area of that back face; and
- (c) on the back face of soft packs, a Government Message which covers the total area of that back face that is below the seal.

Particulars

Clauses 4(1), 7(2) and Part 4 of the Instrument and Schedule 2 to the Instrument.

Taking of the Plaintiffs' property rights

10 Upon the commencement of the provisions of Chapters 3 and 5 of the *Tobacco Plain Packaging Act 2011* (Cth) (**Plain Packaging Act**), the Plaintiffs will be unable to:

- 20 (a) use or exploit the Peter Stuyvesant Trade Marks on or in connection with the Packaging in the manner alleged in paragraph 3 above or in any other meaningful or substantive fashion;
- (b) use or exploit the Peter Stuyvesant Get Up on or in connection with the Packaging in the manner alleged in paragraph 3 above or in any other meaningful or substantive fashion;
- (c) exercise control over the appearance of the Packaging in the manner alleged in paragraph 3 above.

11 The matters referred to in paragraph 10 (**the Taking of the Plaintiffs' Property Rights**) will involve:



- (a) a restriction or prohibition upon the use, enjoyment or exercise of the proprietary rights or bundles of rights referred to in paragraphs 5-7 above;
- (b) the extinguishment of those rights, to the extent alleged;
- (c) the sterilisation of those rights, to the extent alleged; and/or
- (d) a diminution of those rights to the extent alleged.

12 By reason of the Taking of the Plaintiffs' Property Rights:

10 (a) unless permitted by the Commonwealth by the making of regulations under sections 27 and 109 of the Plain Packaging Act (**the Regulations**), the only pictures or images which may appear on the Packaging or the Peter Stuyvesant Cigarettes will be those included in the Government Messages or in another "relevant legislative requirement" within the meaning of section 4 of the Plain Packaging Act;

(b) unless permitted by the Commonwealth (by the making of the Regulations), the Government Messages will appear on the Packaging in the absence of the Peter Stuyvesant Trade Marks and the Peter Stuyvesant Get Up, save for such parts of the Peter Stuyvesant Trade Marks and the Peter Stuyvesant Get Up which constitute the Peter Stuyvesant brand name or a variant name;

(c) to the extent the Plaintiffs wish to include on the Packaging the Peter Stuyvesant brand name or a variant name:

20 (i) the appearance of that brand name or variant name will be required to conform to the requirements in sections 21(2) and 21(3) of the Plain Packaging Act, which are requirements which do not apply to the Government Messages; and



(ii) the Plaintiffs may, in addition, be subject to further requirements determined by the Commonwealth (by the making of the Regulations), regarding the appearance of that brand name or variant name;

30 (d) other than those areas referred to in section 19(3) of the Plain Packaging Act, the colour of external surface of the Packaging will be required to be such colour as is determined by the Commonwealth (by the making of the Regulations) or otherwise drab dark brown.

Benefits or advantages conferred upon the Commonwealth

13 In the premises, the Taking of the Plaintiffs' Property Rights will confer upon the Commonwealth one or more of the following identifiable and measurable benefits or advantages (**Benefits**):

- (a) causing the Packaging to be in the form and to have the appearance which the Commonwealth desires for purposes of its own, including one or more of the following purposes:
 - (i) making the Government Messages more prominent or discernible than would be the case if the Taking of the Plaintiffs' Property Rights does not take place;
 - (ii) reserving areas of the Packaging for the application of the Government Messages;
 - (iii) the purposes or objects recited in section 3 of the Plain Packaging Act;
- (b) the enhancement or enlargement of the rights of the Commonwealth as regards the Government Messages, in that the Commonwealth has secured for itself the right to determine the form and appearance of the medium upon which the Government Messages appear (in addition to its right to determine the content and appearance of the Government Messages);
- (c) a right of exclusive control over the appearance of the surfaces of the Packaging for an indefinite period;
- (d) a right of exclusive control over the ways in which the Plaintiffs may exercise, in any meaningful or substantive fashion, the rights or bundles of rights in the Peter Stuyvesant Trade Marks, the Packaging and the reputation and goodwill in respect of the Peter Stuyvesant Cigarettes and/or the Peter Stuyvesant Get Up.

14 In the premises:

but for section 15 of the Plain Packaging Act, the Taking of the Plaintiffs' Property Rights and the receipt of the Benefits would constitute an acquisition of property otherwise than on just terms (**the Plain Packaging Acquisition**), being one which would be effected by force of the Plain Packaging Act;



(b) by reason of section 15, the Plain Packaging Act will not (upon the commencement of the provisions of Chapters 3 and 5 of that enactment):

- (i) prevent the Plaintiffs from using the Peter Stuyvesant Trade Marks and the Peter Stuyvesant Get Up on or in relation to the retail packaging of the Plaintiffs' tobacco products; or
- (ii) apply to relation to the Packaging.

15 Further or alternatively, to the extent that section 15 of the Plain Packaging Act does not have the operation alleged in paragraph 14(b) above, the Plain Packaging Act has the character of a law or laws with respect to the acquisition of property on other than
10 just terms for a purpose in respect of which the Commonwealth Parliament has power to make laws within the meaning of section 51(xxxi) of the Constitution and is invalid or alternatively invalid insofar as it effects or will effect the Plain Packaging Acquisition.

Invalid purported conferral of legislative power and failure to make laws in the purported exercise of legislative power

16 Further or alternatively, the Plain Packaging Act fails to delineate any factual requirements to connect any given state of affairs to which it may apply with the legislative powers conferred upon the Commonwealth Parliament by the Constitution, save for purporting to provide in section 15 that it will not apply in circumstances which
20 would result in section 51(xxxi) being engaged.

17 In the premises, the Plain Packaging Act is invalid:

- (a) because it impermissibly purports to confer legislative power upon courts exercising the judicial power of the Commonwealth when deciding litigation arising under the Plain Packaging Act, by requiring those courts to supply that connection which the Commonwealth Parliament has omitted to provide; or alternatively
- (b) because it does not provide for a rule of conduct or a declaration as to power, right or duty and its purported enactment did not involve an exercise of the powers to make "laws" conferred upon the Commonwealth Parliament by the Constitution.



Further acquisition of property effected by the Instrument

18 Further or alternatively, the Government Messages are a message or an advertisement:

- (a) which is aimed to be aversive to the business alleged in paragraph 3(c) above and to the commercial interests of ITA in carrying on that business;
- (b) which is required by the Commonwealth to be displayed on the very products ITA sells and distributes in carrying on that business.

19 Clauses 4(1), 7(2) and Part 4 of the Instrument and Schedule 2 to the Instrument, in their terms or operation, have acquired part of the bundle of rights exercisable by the Plaintiffs in respect of the Packaging (**the Government Message Acquisition**) in that:

- 10 (a) the Plaintiffs are restricted or prohibited from using, enjoying or exercising their proprietary rights in the Packaging to the extent that such activities are inconsistent with the Instrument;
- (b) the Commonwealth receives an identifiable and measurable benefit or advantage from that restriction or prohibition in that the Plaintiffs are required to display the Commonwealth's messages or advertisements on the Packaging.

20 The terms of section 139F of the *Competition and Consumer Act 2010* (Cth) do not afford the Plaintiffs just terms for the Government Message Acquisition because:

- (a) the terms of that provision are, on their proper construction, limited to the payment of a reasonable amount of monetary compensation;
- 20 (b) the value of what has been acquired is not fairly susceptible of valuation in monetary terms.

21 In the premises:

- (a) the Government Message Acquisition was not authorised by section 65D(2) (now repealed) and/or section 172 of the *Trade Practices Act 1974* (Cth) (as it was known at the time of the making of the Instrument);
- (b) clauses 4(1), 7(2) and Part 4 of the Instrument and Schedule 2 to the Instrument:
 - (i) are, to the extent they effected the Government Message Acquisition, ultra vires and void or alternatively invalid;



- (ii) are not, to that extent, continued in force by operation of clause 5 of Schedule 7 to the *Trade Practices Amendment (Australian Consumer Law) Act (No 2) 2010* (Cth).

22 Further or alternatively, to the extent the Government Message Acquisition was authorised by section 65D(2) and/or section 172 of the *Trade Practices Act 1974* (Cth) and/or by clause 5 of Schedule 7 to the *Trade Practices Amendment (Australian Consumer Law) Act (No 2) 2010* (Cth):

- 10 (a) those laws or some of them have or had the character of laws with respect to the acquisition of property on other than just terms for a purpose in respect of which the Commonwealth Parliament has power to make laws within the meaning of section 51(xxxi) of the Constitution and are or were, to that extent, invalid;
- (c) the Instrument is invalid because it was not made or continued in force under a valid law of the Commonwealth.

Section 231A of the Trade Marks Act

23 Section 231A of the Trade Marks Act is invalid in that:

- 20 (a) it does not provide for a rule of conduct or a declaration as to power, right of duty and its purported enactment did not involve an exercise of the powers to make “laws” conferred upon the Commonwealth Parliament by the Constitution;
- (b) the Commonwealth Parliament has impermissibly purported to abdicate certain of those law making powers in favour of the Commonwealth Executive Government.



AND THE PLAINTIFFS CLAIM

A A declaration that, by reason of section 15, the *Tobacco Plain Packaging Act 2011* (Cth) will not (upon the commencement of the provisions of Chapters 3 and 5 of that enactment):

- 30 (a) prevent the Plaintiffs from using the Peter Stuyvesant Trade Marks and the Peter Stuyvesant Get Up on or in relation to the retail packaging of the Plaintiffs' tobacco products;

(b) apply in relation to the Packaging.

B Alternatively to A, a declaration that the *Tobacco Plain Packaging Act 2011* (Cth) is invalid or alternatively invalid insofar as it will effect an acquisition of the proprietary rights or bundles of rights in the Peter Stuyvesant Trade Marks, the Packaging and the reputation and goodwill owned by the Plaintiffs in respect of the Peter Stuyvesant Cigarettes and the Peter Stuyvesant Get Up on other than just terms.

C A declaration that clauses 4(1), 7(2) and Part 4 of the *Trade Practices (Consumer Product Information Standards) (Tobacco) Regulations 2004* (Cth) and Schedule 2 to that instrument are ultra vires and void or alternatively invalid.

10 D Alternatively to C declarations that:

(a) section 65D(2) and/or section 172 of the *Trade Practices Act 1974* (Cth) and/or clause 5 of Schedule 7 to the *Trade Practices Amendment (Australian Consumer Law) Act (No 2) 2010* (Cth) are or were invalid;

(b) clauses 4(1), 7(2) and Part 4 of the *Trade Practices (Consumer Product Information Standards) (Tobacco) Regulations 2004* (Cth) and Schedule 2 to that instrument are invalid.

E A declaration that section 231A of the *Trade Marks Act 1995* (Cth) is invalid.

F Such further or other order as the Court sees fit.

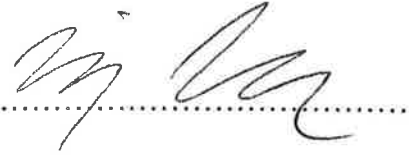
G Costs.



This pleading was settled by B Walker SC and C Lenehan of counsel.



Bret Walker SC

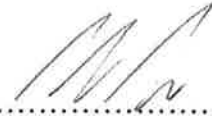


Craig Lenehan

This Writ was filed by Mallesons Stephen Jaques on behalf of the Plaintiffs.

Dated 6 December 2011

10



Katrina Angela Rathie
Mallesons Stephen Jaques
Solicitor for the Plaintiffs
by her partner MTB Bonnell





The First Plaintiff's address is Slachtedijk 28a, 8501 ZA, Joure, The Netherlands

The Second Plaintiff's address is 4-8 Inglewood Place, Baulkham Hills, NSW, 2153


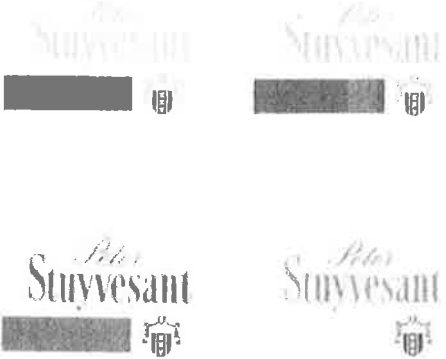


20 The First and Second Plaintiffs' address for service is c/ Mallesons Stephen Jaques, Level 61,
Governor Phillip Tower, 1 Farrer Place, Sydney, NSW, 2000, Telephone (02) 9296 2000,
Facsimile (02) 9296 3999.



Schedule A - Peter Stuyvesant Trade Marks

Australian Trade Mark Registration Number	Trade Mark	Registration Date	Class / Specification of Goods
736924	STUYVESANT	16/06/1997	34 - Cigarettes, tobacco, tobacco products; lighters, matches and smokers' requisites
151782	PETER STUYVESANT	28/11/1958	34 - Tobacco, raw or manufactured
222307	PETER STUYVESANT	11/09/1968	34 - Cigarettes
939720	PETER STUYVESANT	9/01/2003	34 - Tobacco whether manufactured or unmanufactured; cigarettes; tobacco products; substances for smoking sold separately or blended with tobacco, none for medicinal or curative purposes; smokers' articles and matches
151076		13/10/1958	34 - Cigarettes, tobacco, and cigars
548654		10/01/1991	34 - Tobacco, whether raw or manufactured; smokers' articles; matches; and all other goods in this class
554024		17/04/1991	34 - Tobacco whether raw or manufactured; smokers' articles; matches; and all other goods in this class
564416		30/09/1991	34 - Tobacco whether raw or manufactured; smokers' articles in this class; matches; all other goods in this class

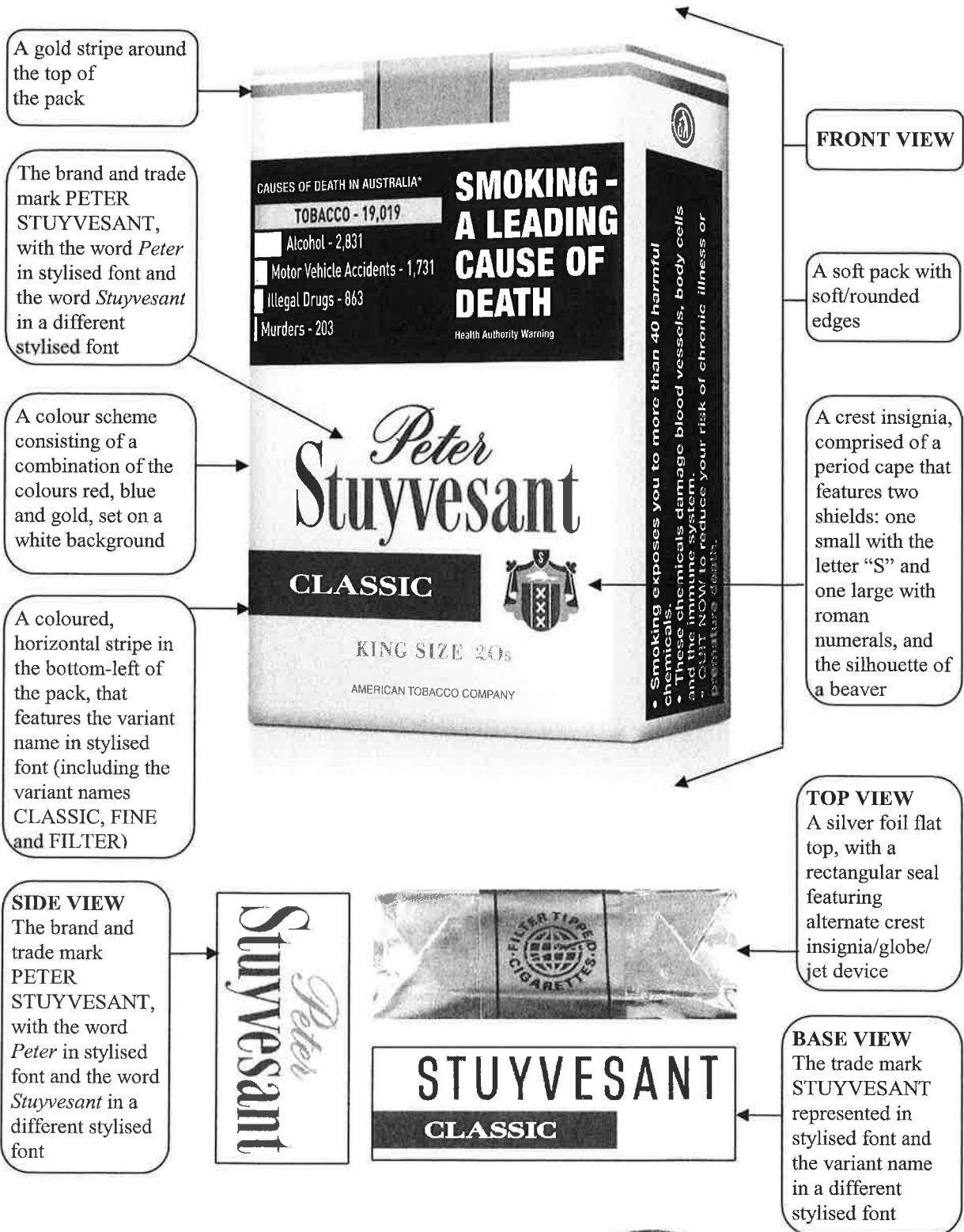


Australian Trade Mark Registration Number	Trade Mark	Registration Date	Class / Specification of Goods
657192		30/03/1995	34 - Cigarettes
1102216		6/03/2006	34 - Tobacco, whether manufactured or unmanufactured; tobacco products; tobacco substitutes, none being for medicinal or curative purposes; cigarettes; smokers' articles and matches
736922		16/06/1997	34 - Cigarettes, tobacco, tobacco products; lighters, matches and smokers' requisites
736923		16/06/1997	34 - Cigarettes, tobacco, tobacco products; lighters, matches and smokers' requisites



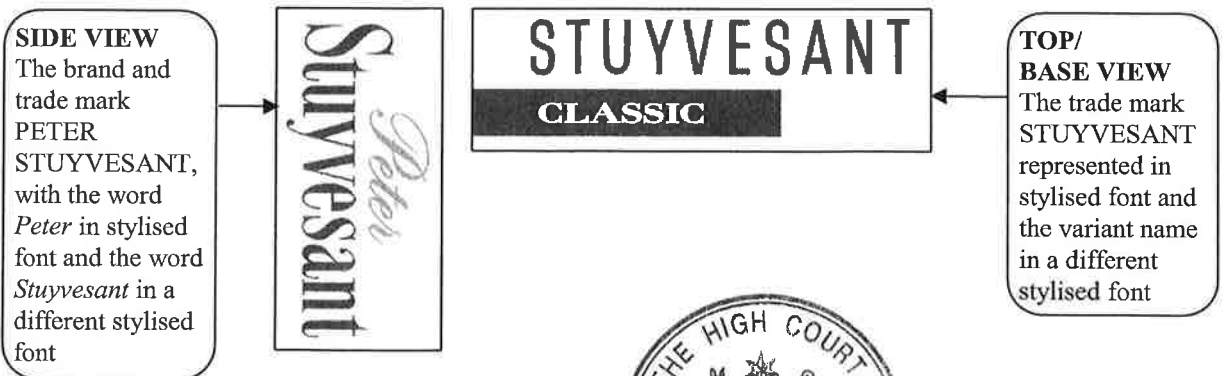
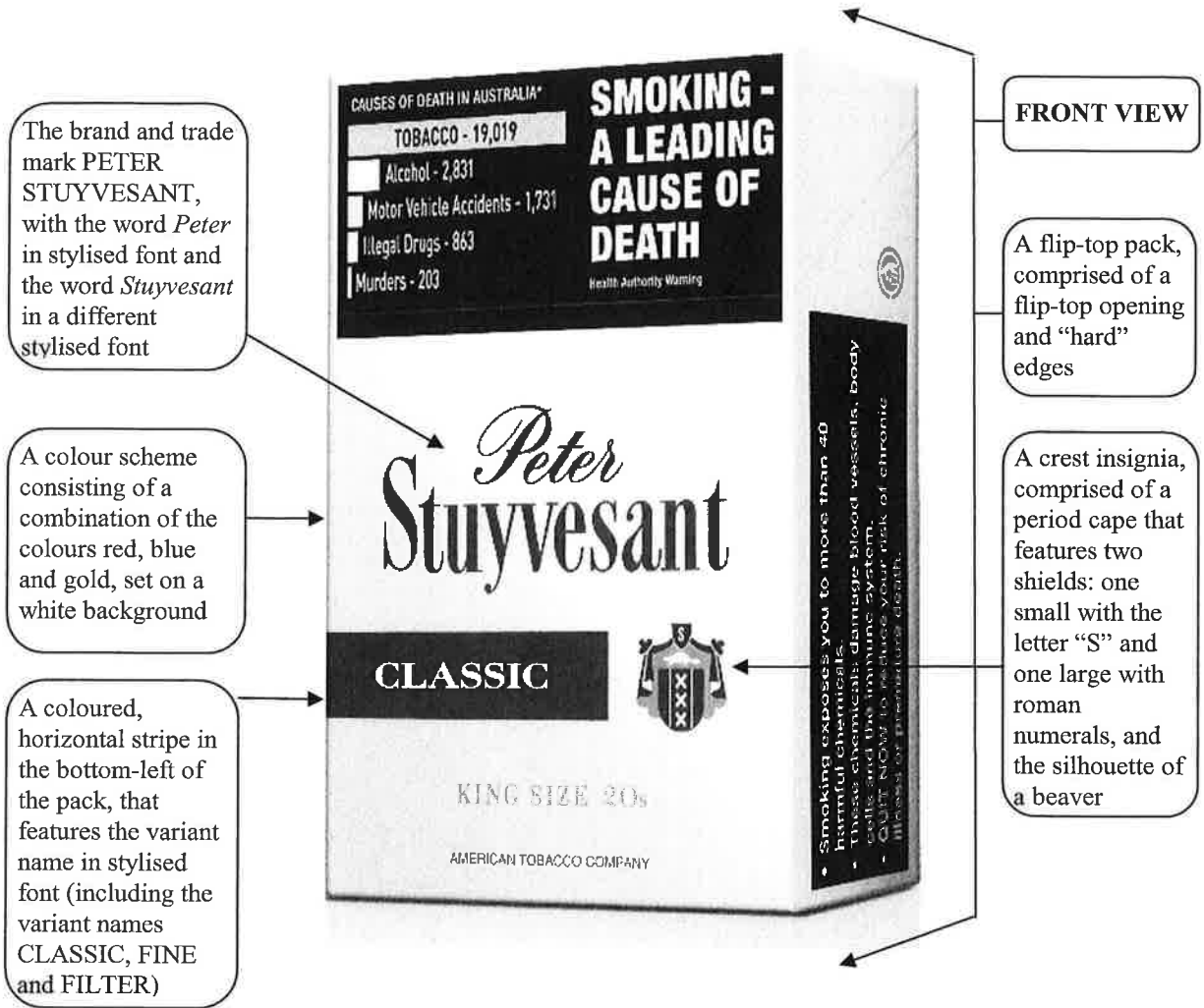
Schedule B - Peter Stuyvesant Get-Up

Soft Pack



Schedule B continued - Peter Stuyvesant Get-Up

Flip-top Pack



Schedule B continued - Peter Stuyvesant Get-Up

Peter Stuyvesant Range of Cigarettes

