

IN THE HIGH COURT OF AUSTRALIA
MELBOURNE REGISTRY

No M173 of 2011

BETWEEN:

PHILIP MORRIS LIMITED
ACN 004 694 428

Plaintiff

and

COMMONWEALTH OF AUSTRALIA

Defendant

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WRIT OF SUMMONS

TO THE DEFENDANT

The Commonwealth of Australia
c/o the Australian Government Solicitor
Level 21, 200 Queen St, Melbourne VIC 3000

TAKE NOTICE that this proceeding has been brought against you by the Plaintiff 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.

20 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.

Date of document: 20 December 2011

Filed on behalf of: the Plaintiff

Allens Arthur Robinson
Lawyers
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Melbourne VIC 3000

DX 30999 Melbourne
Tel (03) 9614 1011
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Ref PODM
Contact Name: Peter O'Donahoo

STATEMENT OF CLAIM

1. This proceeding, to which the Commonwealth of Australia is a party, is in respect of a matter arising under the Commonwealth Constitution and involving its interpretation. Accordingly, by reason of section 30(a) of the *Judiciary Act 1903* (Cth), and each of section 75(iii) and section 76(i) of the Commonwealth Constitution, it is within the original jurisdiction of the High Court.
2. The Plaintiff is and was at all relevant times a company duly incorporated pursuant to the *Corporations Act 2001* (Cth).

10 Plaintiff's property rights

3. At all relevant times, the Plaintiff has been:
 - 3.1. the owner, manufacturer, importer, distributor and seller of cigarettes (the **cigarettes**);
 - 3.2. the owner of the packaging of the cigarettes (the **packs**);
 - 3.3. the owner or licensee of the registered trade marks set out in Part 1 of Annexures A, B and C to this statement of claim (the **registered trade marks**).

Particulars

- 20 a) *Each of the trade mark registrations are subsisting and of full force and effect.*
- b) *The Plaintiff is the exclusive licensee in Australia of the registered trade marks in: Part 1 of Annexure A being trade marks relating to the "Marlboro" brand; and Part 1 of Annexure B being trade marks relating to the "Longbeach" brand, pursuant to:*
 - (i) *a licence agreement between the owner of the registered trade marks, Philip Morris Brands SARL, and Philip Morris Global Brands Inc dated 26 October 2010 (as amended); and*
 - 30 (ii) *a sub-licence agreement between Philip Morris Global Brands Inc and the Plaintiff dated 1 January 2011 (as amended).*

A copy of each of the above agreements is in the possession of the Plaintiff's solicitors and may be inspected during ordinary office hours on reasonable notice subject to the provision of an appropriate confidentiality undertaking.

c) *The Plaintiff is the owner in Australia of the registered trade marks in Part 1 of Annexure C, being trade marks relating to the "Peter Jackson" brand.*

4. At all relevant times, the Plaintiff has carried on the business of manufacturing, importing, distributing and selling cigarettes in packs in Australia using from time to time various of:
- 4.1. the registered trade marks; and
- 4.2. the distinctive words, devices and get up set out in Part 2 of Annexures A, B and C (the **signs**).
- 10 5. By reason of the matters referred to in paragraph 4 above, the Plaintiff has generated a substantial exclusive and valuable reputation and goodwill in Australia in and by reference to the registered trade marks and the signs.
6. The Plaintiff has and at all relevant times has had:
- 6.1. the exclusive right to control the appearance of all of the external surface area of each pack subject to mandated exceptions (the **pack rights**);
- 6.2. the exclusive right to control the appearance of all of the external surface area of each cigarette (the **cigarette rights**); and
- 20 6.3. the exclusive right to use the registered trade marks and the signs in Australia (the **IP rights**).

Particulars

a) *The mandated exceptions are primarily that the Trade Practices (Consumer Product Information Standards) (Tobacco) Regulations 2004 (Cth) (Health Warning Regulations) oblige the plaintiff to display health warning messages (including graphics) in the prescribed form covering 30% of the front, 90% of the back and most of one side panel of each pack.*

b) *The Plaintiff refers to and repeats the matters referred to in paragraphs 3.3, 4 and 5 above.*

- 30 7. The Plaintiff exercises and at all relevant times has exercised the pack rights, the cigarette rights and various of the IP rights on cigarettes and packs.

Particulars

a) *The Plaintiff applies and from time to time has applied various of the registered trade marks and signs to those external surface areas of packs, which it has and has had a right to control, including (in respect of those*

registered trade marks and signs) application in the manner set out in Part 2.1 of Annexure A, Part 2.1 of Annexure B and Part 2.1 of Annexure C.

b) *The Plaintiff applies and from time to time has applied various of the registered trade marks and signs to the external surface of cigarettes, which it has and has had a right to control, including (in respect of those registered trade marks and signs) application in the manner set out in Part 3 of Annexure A, Part 3 of Annexure B and Part 3 of Annexure C.*

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8. The Plaintiff's pack rights, cigarette rights and IP rights are each "property" within the meaning of section 51(xxxi) of the Commonwealth Constitution (the **Plaintiff's property**).
9. The exercise of the rights referred to in paragraph 7 above is the only substantial way in which the Plaintiff can exploit the Plaintiff's property.

Particulars

*The Tobacco Advertising Prohibition Act 1992 (Cth) (**TAP Act**) prohibits the broadcasting or publication of tobacco advertisements (as defined), subject to an exception for words, designs or symbols that appear on a tobacco product or on the packaging of a tobacco product.*

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Further restrictions on tobacco advertisements, sponsorship and point-of-sale display are made by State and Territory laws that are capable of concurrent operation with the TAP Act: Public Health Tobacco Act 2008 (NSW), Tobacco Act 1987 (Vic), Tobacco and Other Smoking Products Act 1998 (Qld), Tobacco Products Regulation Act 1997 (SA), Public Health Act 1997 (Tas), Tobacco Act 1927 (ACT), Tobacco Products Control Act 2006 (WA), Tobacco Control Act 2002 (NT).

30 Acquisition of the Plaintiff's property

10. The operation of the *Tobacco Plain Packaging Act 2011* (Cth) (the **Act**) and the *Tobacco Plain Packaging Regulations 2011* (the **Regulations**) would, but for section 15(1), result in:
 - 10.1. the Plaintiff being prohibited from controlling the appearance of any of the external surface area of each pack;
 - 10.2. the Plaintiff being prohibited from controlling the appearance of the external surface area of each cigarette;
 - 10.3. the Plaintiff being prohibited from using the registered trade marks and the signs on the cigarettes and the packs;

10.4. the Defendant gaining the right to control the appearance of all of the area of the cigarettes and the packs which the Plaintiff currently has the right to control;

10.5. the Defendant, in order to promote the Defendant's objectives freed from the Plaintiff's use of the IP rights on the cigarettes and the packs, obtaining control of substantially all of the ways in which the IP rights might be used by the Plaintiff;

10 10.6. the Defendant causing the packs and the cigarettes to have an appearance specifically designed to promote and facilitate the Defendant's objectives; and

10.7. the Plaintiff being excluded from all substantial ways of exercising the IP rights, which, *inter alia*, effectively eliminates the Plaintiff's ability to distinguish the cigarettes and the packs.

Particulars

The Defendant's objectives include those stated in s 3 of the Act, s 3 of the TAP Act and reg 3A of the Health Warning Regulations.

20 11. By reason of the matters referred to in paragraph 10 above, the operation of the Act, in particular Part 2 of Chapter 2 and the Regulations would, but for section 15(1), result in an acquisition of the Plaintiff's property within the meaning of section 51(xxxi) of the Commonwealth Constitution.

12. The Act and the Regulations do not provide just terms for the acquisition of the Plaintiff's property referred to in paragraph 11 above.

13. By reason of the operation of section 15(1), the Act and the Regulations do not apply to the Plaintiff's property.

AND THE PLAINTIFF CLAIMS:

A. Declarations that:

30 a. The operation of the Act, in particular Part 2 of Chapter 2, and the Regulations would, but for section 15(1), result in the acquisition of the Plaintiff's property, otherwise than on just terms, contrary to section 51(xxxi) of the Commonwealth Constitution.

b. By reason of section 15(1), the Act and the Regulations do not apply to the Plaintiff's property.

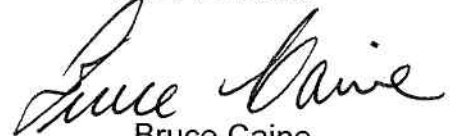
B. Costs.

C. Such further or other orders as the Court deems fit.

Date:



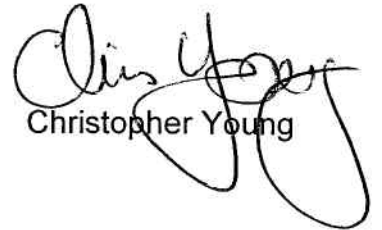
A.C. Archibald



Bruce Caine



Peter Wallis



Christopher Young

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This writ was filed by Allens Arthur Robinson on behalf of the Plaintiff.

Dated: 20 DECEMBER 2011



IPS O'Donahoo
Allens Arthur Robinson
Solicitor for the Plaintiff

The Plaintiff's address is 252 Chesterville Road, Moorabbin, VIC, 3189.

The Plaintiff's address for service is Allens Arthur Robinson, Level 27, 530 Collins Street, Melbourne, VIC, 3000, DX 30999, Telephone 03 9614 1011, Facsimile 03 9614 4661.