

Australia cigarette plan facing new legal threat

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A second global tobacco giant has flagged legal action over Australia's plain packaging plan for cigarettes, warning of violations of its intellectual property rights, a report said Saturday.

British American Tobacco said it stood ready to take Canberra to court over the plan to put cigarettes in bland, logo-free packets with graphic [health warnings](#) from next year in a drive to lower smoking rates.

The Hong Kong-based Asian arm of tobacco giant Philip Morris launched a lawsuit this week claiming the plan breached a bilateral investment treaty between Hong Kong and Australia by forcibly removing trademarks and other intellectual property.

British American said it faced similar issues.

"British American Tobacco Australia has always said that with any attempt to introduce plain packaging we will defend our intellectual property," a spokesman told The Australian newspaper.

"We don't want to end up in court and we hope that situation can be avoided, but if the government keeps pushing ahead with its plans for plain packaging then unfortunately court is where it will end up."

The spokesman said Canberra would likely face "numerous [legal challenges](#) both domestically and internationally" over the proposal.

British American's managing director David Crow had written to the [health minister](#) highlighting concerns about the proposal raised by the EU, Mexico, Indonesia, China, Brazil and other countries, according to The Australian.

Philip Morris has said it has a "very strong legal case and will be seeking significant [financial compensation](#) for the damage to our business."

Canberra says 15,000 Australians die of smoking-related diseases every year, and that [tobacco use](#) costs the country Aus\$31.5 billion (\$34 billion) annually in healthcare and lost productivity.

Although Australia would be the first country in the world to mandate plain packaging, New Zealand, Canada and Britain have considered a similar approach and are closely watching developments.

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