

# Philip Morris challenges plain packs in Australia

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Global tobacco giant Philip Morris Tuesday stepped up its legal campaign against an Australian law banning logos and branding from cigarette packs, saying it had taken its case to the High Court.

Last month Philip Morris Asia launched a case against the government under an investment treaty with Hong Kong over the legislation, which says cigarettes can only be sold in drab, olive-brown packets.

The latest challenge, by Australia-based Philip Morris Limited (PML), is on constitutional grounds, arguing that the government has passed a law that acquires the firm's valuable brands and intellectual property.

"We believe plain packaging violates the Australian constitution because the government is seeking to acquire our property without paying compensation," PML spokesman Chris Argent said in a statement.

The company is seeking a ruling from the High Court that the government cannot stop the firm from using its intellectual property and branding on its cigarettes and packets.

Under the ground-breaking Australian law passed last month, all [tobacco products](#) will need to be sold in plain packaging from December 1, 2012, which will also carry graphic [health warnings](#).

The proposal to remove all logos and to print company names in the same font has angered tobacco firms, who quickly moved to challenge

the law.

Besides Philip Morris, global giant Imperial Tobacco has launched a legal challenge in the High Court claiming that the law breaches Australia's constitution by infringing [intellectual property rights](#).

British American Tobacco (BAT) has filed a similar constitutional challenge.

Australia is set to be the first country to mandate plain packaging to reduce smoking rates and Attorney General Nicola Roxon, formerly the health minister, has said she is prepared for the challenges to the law.

While Canberra says [tobacco use](#) costs the country more than Aus\$30 billion (US\$30 billion) a year in healthcare and lost productivity, the [tobacco firms](#) argue the government cannot prove plain packaging will cut smoking rates.

Philip Morris International has seven of the world's top 15 tobacco brands, including Marlboro, and through PML it holds about a 37.5 percent share of the Australian cigarette market.

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