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Monday, 26th April 2010

PLAIN PACKAGING MAY REQUIRE UP TO \$3.4 BILLION TAXPAYER GIFT ANNUALLY TO BIG TOBACCO AND FILM COMPANIES: NEW REPORT RELEASED FOR WORLD INTELLECTUAL PROPERTY DAY

"Bad anti-intellectual property laws by State and Federal Parliaments could require taxpayers to gift up to \$3.4 billion per year in compensation to film companies and big tobacco for the loss of their trademarks", Director of the IP and Free Trade Unit at the Institute of Public Affairs, Tim Wilson, said today.

Mr Wilson's comments follow the release of a new IPA report, *Governing in ignorance: Australian governments legislating, without understanding, intellectual property*, released today for World Intellectual Property Day.

"Last year the South Australian Parliament passed plain packaging laws, including the removal of trademarks, for R 18+ films to stop minors viewing them at retail outlets. And the Federal Parliament is currently considering a law requiring the plain packaging of tobacco products, including the removal of trademarks, to discourage people from wanting to smoke", Mr Wilson said.

"Stripping intellectual property from products is akin to stripping someone of their physical property and requires compensation under the Commonwealth Constitution and our free trade agreements".

"IPA calculations show that the taxpayer compensation could amount to as much as \$357 million to film companies annually, and \$3 billion for tobacco companies annually because of these laws".

"Risking taxpayer dollars because of poorly considered laws is an outrage. Worse, it's morally offensive that taxpayer dollars from smoking and non-smoking Australians may be gifted to big tobacco because Parliaments are governing in ignorance", Mr Wilson said.

"Stripping intellectual property from films and tobacco products may also breach Australia's obligations in the World Trade Organisation and our free trade agreements, including with the United States".

"Every government that has considered plain packaging to date has rejected it because of its questionable efficacy and the compensation risks".

"The Federal Government should immediately investigate whether the South Australian film plain packaging legislation breaches the Commonwealth's right to legislate for intellectual property and avoid the risk that hundreds of millions could be sought in compensation by the film industry".

"And the Federal Parliament should deeply consider whether they are prepared to gift up to \$3 billion annually to big tobacco to pass plain packaging for tobacco products".

"On World IP Day government should remind themselves not to govern in ignorance and consider the full consequences of their decisions", Mr Wilson said.

Governing in ignorance is available at <http://www.ipa.org.au/>

For more information and comment:

Media comment Tim Wilson

Director, IP and Free Trade Unit

0417 356 165

**Institute of Public Affairs, Level 2, 410 Collins St. Melbourne
ph: 03 9600 4744 fax: 03 9602 4989 www.ipa.org.au**