



747 Third Avenue, 2<sup>nd</sup> Floor New York, NY10017 United States of America Tel: +1 646 722 2611

Fax: +1 646 722 2501 E-mail: michael.lee@iaaglobal.org

May 8th 2017

HE Giorgi Kvirikashvili, Prime Minister Government of Georgia 7 Ingorokva St Tbilisi 0114 Georgia

Dear Prime Minister Kvirikashvili,

The International Advertising Association (IAA) represents over 3,000 individual members across corporate, marketing services, organizational and academic sectors — all involved in the branding, communications and marketing disciplines around the globe.

We are writing to you today in order to express our concerns with respect to the draft National Tobacco Control Strategy being considered by the Government of Georgia. The IAA fully shares your desire to limit the harm caused by smoking and to promote public health by regulating tobacco products and their consumption. However, we are deeply concerned about measures that will not achieve the stated public health objective but at the same time will undermine the essential function branding has for economy and society. That measure is standardized or plain packaging as being considered.

The International Advertising Association has long advocated for the freedom of commercial speech and defends a responsible communications industry against unwarranted advertising and marketing bans and restrictions. The IAA strongly believes that brand differentiation exists to facilitate consumer choice, information and convenience.

Standardized or plain packaging will vastly increase consumer confusion without discouraging the use of the product itself. Limiting the ability to brand limits the ability to differentiate and compete. Limiting the ability to compete is a restriction of trade. Simply said, business is based on the ability to compete, and such a plain packaging proposal takes that away.

Plain packaging also will actually facilitate the production of counterfeits and bootlegging, without any improvement of product safety. Australia is a country that has implemented plain packaging to date. Subsequent to the introduction of plain packaging Australia did experience an increase in the usage of illicit tobacco. Thus removing branding, the ability to identify one product from another, it is only reasonable that Georgia would experience the negative impact of illicit trade similar to Australia.



747 Third Avenue, 2<sup>nd</sup> Floor New York, NY10017 United States of America Tel: +1 646 722 2611

Fax: +1 646 722 2501

E-mail: michael.lee@iaaglobal.org

The IAA has long believed that trademarks and trade dress, the "branding of a product" should not be unduly restricted with regard to legally sold products. Trademarks (brands) are recognised legally as property rights in Georgia, and are thus protected under various national and international laws and treaties. Standardized or plain packaging legislation detrimentally impacts the rights of trademark owners and deprives those owners of the use of the intellectual property as the law intended that trademark to be used. Clearly, restricting the ability to use a trademark as intended, to remove the ability to identify the source of a product, to remove the ability to differentiate one product from its competitor also detrimentally impacts the flow of trade, the growth of markets, and the encouragement of competition. Were plain packaging to be implemented for one category of products, a dangerous precedent is created that then could be imposed on other categories in the name of furtherance of other seemingly well-intended goals. However, the intended goal of reducing youth smoking and discouraging smoking generally will not be accomplished. Smokers continue to smoke, the "brand" on the package does not cause smoking, but removal of the ability to brand a legal product creates a dangerous precedent.

IAA strongly believes that the introduction on plain and standardized packaging prevents companies from using established intellectual property, and in taking the use of established trademarks away, such restrictions if enacted establish a very dangerous precedent for all legally sold products.

On the basis of all the above, we sincerely ask you to consider our comments.

Respectfully submitted on behalf of the Board of Directors and Executive Committee of the IAA.

Sincerely,

Michael Lee

Managing Director

Mushay Co-