

News Release

Philip Morris International Files Suit Against Standardized Packaging Regulations in the UK

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LAUSANNE, Switzerland--(BUSINESS WIRE)--May 22, 2015-- Philip Morris International (PMI) today filed suit in the English High Court to contest the UK government's recently introduced standardized packaging regulations for tobacco products. PMI is seeking a decision that the regulations — which impose a wholesale ban on logos and visual trademark elements and require all cigarette packaging to look the same — violate English and European Union law.

"We respect the government's authority to regulate in the public interest, but wiping out trademarks simply goes too far," said Marc Firestone, PMI Senior Vice President and General Counsel. *"Countries around the world have shown that effective tobacco control can co-exist with respect for consumer freedoms and private property."*

In April 2015, all tobacco products in the UK were banned from display at retail, and as early as 2016, EU law will require that health warnings for cigarettes cover up to 65% of the pack.

PMI's filing asserts that:

- The regulations unlawfully deprive PMI of its trademarks. A core doctrine of English and EU law is that there must be fair compensation for deprivations of property, a remedy that the regulations do not provide.
- The regulations violate the EU law that says Community trademarks can be used by identical means throughout the EU, which would be impossible if the UK government bans their use in the UK.
- The regulations obstruct the free movement of goods through means that are neither necessary nor proportionate to achieving the UK government's public health objectives.
- A case from the English High Court is already before the European Union's Court of Justice to decide whether standardized packaging is permissible under the EU's recently enacted tobacco product directive. If not, then the UK regulations would be invalid. It would have been far sounder to hear from the Court of Justice before issuing the regulations.

Trademarks convey a product's quality and other attributes and help consumers select from competing brands in a crowded marketplace. In this and other ways, trademarks are key to a market economy.

In 2014, *Marlboro* ranked as the ninth most valuable global brand with an estimated value of \$67 billion.

Firestone continued, *"The UK government rushed out the regulations, with many serious questions left unanswered. The law protects trademarks because of their essential functions for consumers and in driving competition. By contrast, a wholesale ban on branding distorts the market and treats consumers as if they're not capable of making their own decisions."*

For more information please see:

<http://justthefacts.pmi.com/>

Philip Morris International Inc.

Philip Morris International Inc. (PMI) is the leading international tobacco company, with six of the world's top 15 international brands, including *Marlboro*, the number one cigarette brand worldwide. PMI's products are sold in more than 180 markets. In 2014, the company held an estimated 15.6% share of the total international cigarette market outside of the U.S., or 28.6% excluding the People's Republic of China and the U.S. For more information, see www.pmi.com.

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