

update

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Customs & trade law

Copycats beware!

Owners of design rights and other intellectual property rights have recently been encouraged by legal action taken by UK fashion label Ted Baker to protect its rights.

Ted Baker had issued copyright infringement proceedings against JAG, Target and Witchery claiming that they improperly reproduced T-shirt designs and fashion tops. The matter was resolved in an out of court settlement that saw the offending parties pay Ted Baker a total of \$438,000.

Ted Baker was reported as stating that copyright infringement was common place within Australasia largely due to the fact that our industry is a season behind Europe. Accordingly, "copycats" had time to visit Europe and to pick designs from their current season and get them to market before the host brand.

These comments add to the growing recognition of the serious threat to business that pirated and copycat goods pose. Such a threat was recognised in the OECD Study in the international trade of counterfeit consumer goods published in June 2007.

In that report, it was estimated that such trade was worth US\$200 billion a year (not including business to business transactions and internet based counterfeiting). The study also recognised that Asia was the largest source for counterfeit and pirated goods and that China was the largest producer of such goods.

At the recent G8 meeting in Tokyo, there were discussions in relation to a new Anti-Counterfeiting Trade Agreement (ACTA).

It is hoped that the Agreement will help reduce the incidence of IP piracy and extend the search powers of Customs officials to track down pirated goods.

These discussions are on-going. Unfortunately it appears that it will take quite some time before a new agreement will be put in place.

In the meantime, holders of IP have a range of rights at law. These include:

- under the *Trade Mark Act*
- under the *Copyright Act*
- under the *Designs Act*
- under the *Trade Practices Act*
- at common law

Court action can be taken to protect rights under these Acts and can also include:

- the issue of proceedings to obtain an "Anton Piller order" or a "Mareva injunction" to search and obtain documents and articles and to preserve evidence or money pending the hearing and determination of a claim
- the issue of proceedings seeking an interlocutory injunction to immediately prevent the sale and distribution of the offending product or goods pending the final hearing and determination of a case
- the issue of proceedings seeking final injunctive orders but not seeking interlocutory injunctive relief

Another avenue open to owners of IP registered under the *Trade Mark Act* or the *Copyright Act* is to file a Notice of Objection with Customs to protect their

goods and IP from goods improperly imported into Australia.

While a security in the form of a guarantee and evidence of authorised use or licence is required, Customs will assist the owners of IP rights who have lodged a Notice of Objection by seizing imported infringing goods. The importer then has a short period (10 days) to commence legal proceedings to obtain the release of the goods.

Before legal action is commenced there are important commercial and legal issues that should be considered.

In injunction proceedings, for example, plaintiffs will be asked to give an undertaking as to damages that may be suffered by the defendant in the event that the plaintiff is not successful in its claim.

Conclusion

Parliament, the Courts and Customs are increasingly recognizing the need to protect a party's intellectual property rights.

As the Ted Baker case demonstrates, owners of IP can and will take steps to protect themselves from pirates and copycats.

If you want to know more about your IP rights and the avenues that are open to you to protect your property from being copied or pirated, please contact us.

For more information

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