

update

20 June 2007

Customs & trade law: Are counterfeit and pirated imports damaging your business?

According to an OECD report released on 4 June 2007, international trade in counterfeit goods is worth a staggering \$US200 billion (\$A240 billion) a year. That figure does not include counterfeit and pirated products domestically produced and consumed. It also does not include products distributed via the internet!

The OECD report highlights the threat and damage that counterfeiting and piracy has on business and society. It recommends a number of ways for governments to combat counterfeiting and piracy.

If you are an owner of a registered trade mark in Australia you should know that there are specific provisions of the Trade Marks Act 1995 that deal with the seizure of counterfeit and pirated imported goods.

Once you become aware that counterfeit or pirated products bearing your company's trade mark/s are infiltrating the market, you should consider enlisting the assistance of the Australian Customs Service (ACS). ACS can assist in identifying and seizing such counterfeit or pirated products before they do any further damage to your business.

Under the Trade Marks Act 1995 you can lodge a Notice of Objection with the ACS. This Notice places ACS on a lookout for any goods that bear your company's trade mark. If there is a valid Notice in place, ACS will seize the goods if they consider that the goods are intended for commercial purposes such as lease, hire or sale. Once ACS seizes goods that infringe a trade mark, the goods

are only held for 10 working days. This period is referred to as the "action period" and you must act promptly. ACS then advise both the objector and the importer of the seizure and then:

- the objector will commence legal action;
- the objector will consent to release the goods; or
- the importer can elect to forfeit the goods.

If the rights owner does not commence legal action within the "action period" of 10 days of receiving notice of seizure, ACS must release the goods. At the conclusion of any legal action, a court will usually make an order as to what is to happen to the goods. Goods will normally be forfeited or released to the importer.

The Trade Marks Act 1995 provides a maximum penalty of a fine of up to \$50,000 and/or two years imprisonment. Criminal prosecutions are rare as most trade mark owners elect to issue civil proceedings.

Under recent amendments to the Trade Marks Act 1995, trade mark owners are able to provide written undertakings as security for Customs' expenses in seizing infringing and counterfeit goods. This new provision

makes the option of lodging a Notice of Objection much more commercially attractive.

Another recent change extends the term of the Notice of Objection to importation from two to four years. This has helped reduce the burden of lodging paperwork for those who wish to protect their trade marks.

Similar arrangements to those set out above also apply to copyright owners under the Copyright Act 1968.

For more information

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