Australian Customs Notice 2000 79

**TRADE MARKS ACT 1995**

This Customs notice is to provide advice to owners and authorised users of trade marks registered in Australia, and to importers who may import goods to which trade marks have been applied.

Government policy on imported goods to which a trade mark has been applied by an overseas trade mark owner has been clarified in consultation with IP Australia. Importers and trade mark owners should be aware that where the trade mark has not been applied by, or with the consent of, the Australian trade mark owner, and a Notice of Objection is in place, **these goods may be seized** under section 133 of the *Trade Marks Act 1995* (the Act).

The operation of the Customs seizure provisions of the Act was originally published in ACN 96/01. To assist trade mark owners and importers information contained in ACN 96/01 has been updated in this notice.

This notice gives a brief outline of the requirements for seeking action by the Australian Customs Service (Customs) under the Act. Because of the complex nature of the Act and the obligations it places on the Objector, it is recommended that persons considering the lodgement of a Notice of Objection discuss the matter with their legal advisers before proceeding with the Notice.

1. **Outline**

Section 132 of the Act provides that the registered owner, or in certain circumstances an authorised user, of a trade mark, may object to the importation of goods bearing a trade mark substantially identical with or deceptively similar to that trade mark. Section 133 empowers Customs to seize such goods pending resolution of the matter, as detailed in this notice.

## 3. Seizure Provisions

Section 133 provides that where:

goods manufactured outside Australia have been imported into Australia and are subject to the control of Customs;

a Notice in writing objecting to the importation of goods **infringing** a trade mark registered in respect of the goods imported has been given to Customs; *and* the goods, in the opinion of Customs, have applied to them a trade mark that is substantially identical with, or deceptively similar to the notified trade mark;

Customs is required to seize imported goods infringing a notified trade mark unless:

the CEO is satisfied that there are no reasonable grounds for believing that the importation of the goods constitutes an **infringement** of the notified trade mark; *or*

the Objector has not provided sufficient security to reimburse the Commonwealth in respect of expenses that may be incurred by the Commonwealth in relation to the seizure of the goods.

The scheme only empowers Customs to take seizure action where there is a Notice of Objection in place. It should be noted that where the trade mark has not been applied by, or with the consent of, the Australian owner of the trade mark and the goods are imported into Australia, this *may* represent an infringement. This situation could arise where the owners of the Australian trade mark and the overseas trade mark are not the same.

The seizure powers are directly conferred on Customs under the Act. The authority to seize is separate from, and should not be confused with, the more general seizure provisions contained in the *Customs Act 1901*.

The Act does not provide for seizure of goods that are imported for the personal use of the importer and are not intended to be dealt with or provided in the course of trade.

## Definitions

The Act contains a number of definitions as follows:

**Trade Mark**

# "Trade Mark for this purpose, is defined as a sign used, or intended to be used, to distinguish goods or services dealt with or provided in the course of trade by a person from goods or services dealt with or provided by any other person."

**Sign**

# " includes the following or any combination of the following, namely, any letter, word,

*name, signature, numeral, device, brand, heading, label, ticket, aspect of packaging, shape, colour, sound or scent."*

**Infringement** (part definition)

# "A person infringes a registered trade mark if the person uses as a trade mark a sign that is substantially identical with, or deceptively similar to, the trade mark, in relation to goods or services in respect of which the trade mark is registered."

For a full understanding of infringement of trade marks, reference should be made to Part 12 of the Act.

## The Notice of Objection

A Notice of Objection, to be valid for the purpose of section 132, must:

* 1. object to the importation of goods infringing a trade mark registered in respect of goods;
  2. identify the trade mark and the goods in respect of which it is registered; and
  3. be lodged by a person entitled to lodge a Notice of Objection.

A Notice of Objection must be accompanied by a **copy** of the particulars of registration of the registered trade mark that is **certified** by the Registrar of Trade Marks as being a true copy, and has been issued no more than 2 months before the date of the Notice;

A Notice of Objection should also be accompanied by a Security (see section 7 below). A failure to give a Security in the required amount may result in a decision by Customs not to seize infringing goods.

For infringing goods to be seized in accordance with a Notice of Objection, the Notice must be lodged with and accepted by Customs before the goods are imported. A Notice of Objection cannot operate retrospectively.

Notices of Objection must be lodged using Form B1025. Copies of this form are available from Customs.

A Notice given by the registered **owner** of a trade mark in accordance with Section 132 of the Trade Marks Act 1995 remains in force for **2 years** from the day on which the Notice is given. It may be revoked before the end of that period by notice in writing given to the CEO of Customs by the registered owner of the trade mark.

A Notice given by an authorised **user** of a trade mark also remains in force for 2 years. It may be revoked before the end of that period by notice in writing given to the CEO either by the authorised user, if the user has the power to revoke the Notice, or, in any other case, by the person who is the registered owner of the trade mark.

1. **Persons Entitled to Lodge a Notice of Objection** A Notice of Objection may be lodged by:

the **registered owner** of a trade mark; or

an **authorised user** of the trade mark who is entitled by virtue of subsection 26 (1) of the Trade Marks Act to lodge a Notice of Objection.

An authorised user is entitled to lodge a Notice of Objection only if:

the authorised user has called on the registered owner to lodge a Notice of Objection and the registered owner has not complied with the request within 2 months.; *and*

any agreement that exists between the registered owner and authorised user does not exclude the authority provided by sub-section 26(1) of the Trade Marks Act for the authorised user to lodge a notice of objection:

Evidence will be required indicating when the authorised user called on the registered owner to lodge a Notice of Objection. A copy of the signed and dated letter requesting the owner to lodge such a Notice will ordinarily satisfy this requirement. Customs would normally be satisfied as to a users entitlement to lodge an Notice of Objection where, for example, a letter or fax from the registered owner that consents to the user lodging a Notice of Objection is presented.

Persons lodging a Notice of Objection should carefully check all documentation to ensure that all information is included and is correct and all attachments are enclosed. Documentation that is incomplete or contains any errors will be returned to the Objector for correction. That will delay the acceptance of the Notice.

## Trade Marks in Respect of Which a Notice of Objection may be Lodged

A Notice of Objection may be lodged only in respect of a trade mark currently registered with the Trade Marks Office in relation to **goods**. A Notice of Objection **cannot** include any of the following:

service provided under a particular trade mark;

trade marks not currently registered with the Trade Marks Office;

trade marks the registration of which has not been finalised by the Trade Marks Office.

## The Security

The Security to Customs may be in the form of either a cash deposit or documentary security.

The amount of the Security will be an amount that the CEO considers sufficient to reimburse the Commonwealth for any expenses incurred by it in seizing the goods. This is currently set at $10,000.

The Security is to reimburse the Commonwealth for any expenses incurred by it as a result of seizure action. Where a debit note has been issued to an **Objector** for seizure expenses and the claim is not met, Customs will draw on the Security.

Where the Security is insufficient to reimburse the Commonwealth for expenses incurred in relation to seizure action, the amount of the excess is a debt due by the Objector, which is recoverable in a Court of competent jurisdiction.

Forms B1026 (documentary) and B1027 (cash) are to be use to lodge the Security. Copies of the forms are available from Customs.

Where the security is in documentary form, the sureties to the security must be either an Australian bank or guarantee company which has been approved to join as a surety to Customs securities. A list of these institutions is available from Customs offices.

## Notification of Seizure

Section 134 of the Act provides that as soon as practicable after goods are seized, Customs shall give either personally or by post: a notice to the owner of the goods identifying the goods and stating that the goods have been seized under section 133.

a notice to the Objector:

identifying the goods and stating that the goods have been seized under section 133;

giving the full name and address of the designated owner of the goods and any information that the CEO has and that he or she believes, on reasonable grounds, to be likely to help the Objector to identify the importer of the goods; and

stating that the goods will be released to the designated owner unless proceedings for infringement are instituted by an Objector within 10 working days of the giving of the notice. If the CEO extends that period (by a number of working days not exceeding 10), the goods will be released unless proceedings are commenced within the extended period. The CEO is to be notified in writing of any proceedings instituted.

## Forfeiture

The designated owner of any seized goods may consent to the goods being forfeited to the Commonwealth by giving notice in writing to that effect to the CEO. Goods may only be forfeited before an objector starts an action for infringement of a notified trade mark in respect of the goods. Goods forfeited in this manner and goods forfeited to the Commonwealth by court order are to be disposed of as the CEO directs.

1. Release of Goods

The CEO *must* release seized goods to their designated owner if:

within the **actionperiod** (described in section 8 above) proceedings for infringement have not been instituted by the Objector, or the Objector has not given written notice to Customs that proceedings have been instituted;

before the end of the action period the Objector has, by notice in writing to the CEO, consented to the release of the goods and the Objector has not brought an action for infringement, or any action commenced by an Objector has been withdrawn; *or*

at the expiration of 3 weeks after the institution of proceedings, there is not in force an order issued by the Court preventing the release of the goods.

The CEO *may* release seized goods to their designated owner at any time before the end of the action period if:

the CEO, having regard to information that has come to his knowledge after the goods were seized, is satisfied that there are no reasonable grounds for believing that the notified trade mark has been infringed by the importation of the goods; *and*

the objector has not brought an action for infringement.

Release of goods does not prevent an Objector later taking action under the Act.

## Help Customs to Help You

Customs will take all reasonable steps to carry out its obligations under this legislation. However, as a very large volume of goods passes through the Customs Barrier each day it is not possible to physically examine every item that is imported. Customs instead carries out a system of random checks and audits to ensure compliance with regulations and other requirements.

Most companies own, or have rights to, a number of trade marks. When completing your Notice of Objection you can assist Customs by limiting it to those trade marks where there is, prima facie, a risk of infringement. The inclusion of trade marks to which there is no risk attached serves no worthwhile purpose and only diverts attention from those areas where there is a risk.

To help Customs to intercept shipments of infringing goods your assistance is necessary. Any information you are able to provide will help protect your trade mark. The following information about possible infringing shipments would be particularly useful:

*name of owner/importer;*

*name of overseas supplier/manufacturer; name of ship, airline/flight no.;*

*expected date/port of arrival; details/description/quantity/country of origin of the goods.*

*details of importers authorised to import goods bearing your trade mark*

All information will be treated in the strictest confidence.

1. General Information

The following general information is provided:

Current and intending Objectors should be aware that where **civil** proceedings have commenced as a result of Customs action under Section 133, there is no provision for the process to be held in abeyance should goods be taken by the Federal Police or Director of Public Prosecutions for the purpose of **criminal** proceedings under the Act.

A court hearing an infringement action under the Trade Marks Act may direct Customs to appear before it and must allow the CEO to appear and be heard.

Notices of Objection are assessed and processed in Canberra. They may be sent directly to the address given below, or lodged at local Customs offices for on-forwarding. Compliance with the requirements outlined in this notice will facilitate efficient and prompt processing of Notices of Objection.

Further information regarding the new legislation may be obtained from:

IP Australia on 1300 651 010; or

the Intellectual Property Rights Group of the Australian Customs Service on telephone (02) 6275 6577 or facsimile (02) 6275 6699 or by post to Customs House, 5 Constitution Avenue, Canberra City, ACT 2601.

Regional Customs offices will also be able to assist with enquiries. However, these offices are more correctly the contact points for operational matters, eg accepting information relating to particular importations, seizure of infringing material etc. Relevant Customs regional contact points are:

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| ***New South Wales*** | ***Victoria*** |
| Customs Supervisor, | Customs Supervisor |
| Commerce Prohibitions and Restrictions Level 3, | Commerce Prohibitions and Restrictions 10th Floor, |
| ACS Link Road Office, | 414 La Trobe St, |
| Mascot | Melbourne |
| Telephone: (02) 9317 7020  Facsimile: (02) 9317 7156 | Telephone: (03) 9244 8423  Facsimile: (03) 9244 8440 |
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| ***Queensland*** | ***South Australia*** |
| Customs Supervisor | Senior Customs Officer |
| Commerce Prohibitions and Restrictions Terrica Place | Commerce Prohibitions and Restrictions Customs House, |
| 140 Creek Street, | 220 Commercial Rd, |
| Brisbane | Port Adelaide |
| Telephone: (07) 3835 3276  Facsimile: (07) 3835 3494 | Telephone: (08) 8447 9316  Facsimile: (08) 8447 9227 |
|  |  |
| ***Western Australia*** | ***Northern Territory*** |
| Customs Supervisor, | Senior Customs Officer |

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| Commerce Prohibitions and Restrictions Customs House, | Cargo Facilitation Customs House, |
| 2 Henry St, | 21 Lindsay Street |
| Fremantle | Darwin |
| Telephone: (08) 9430 1402  Facsimile: (08) 9430 1751 | Telephone: (08) 8946 9851  Facsimile: (08) 8946 9953 |
|  |  |
| ***Tasmania*** |  |
| Customs Supervisor |  |
| Imports/Exports 25 Argyle St, |  |
| Hobart |  |
| Telephone: (03) 6230 1256  Facsimile: (03) 6230 1261 |  |

Jeff Buckpitt National Manager

Import/Export Management Branch For

Chief Executive Officer December 2000