Australian Customs Notice 1996 01

**TRADE MARKS ACT 1995**

This Customs notice is a guide, for owners and authorised users of trade marks registered in Australia, to the operation of the Customs seizure provisions of the Trade Marks Act 1995 which came into effect on 1 January 1996. The Trade Marks Act 1955 was repealed on that date.

The new legislation contains changes which have been made to reflect international trends towards greater uniformity in the field of trade mark law. In particular, the Act conforms with the standards and principles prescribed for trade marks in the Agreement Establishing the World Trade Organization.

The new Act has also simplified the language as much as possible to make it easier for readers to understand the law: a number of terms used in the old legislation have been replaced by simpler ones, eg "owner" has been used in place of "proprietor" of a trade mark. However, no difference in meaning is intended where simpler terms have been used.

This notice gives a brief outline of the requirements for seeking action by the Australian Customs Service (Customs) under section 132 of the Trade Marks Act 1995, and highlights some of the changes made to the existing conditions and provisions. Because of the complex nature of section 132 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**.**

# Outline

Section 132 of the Trade Marks Act 1995 establishes a legislative scheme whereby 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 an action brought by the Objector as to whether the importation of the goods infringes a notified trade mark.

1. **The Legislative Scheme - Seizure Provisions** Section 133 provides that where:
2. goods manufactured outside Australia have been imported into Australia and are subject to the control of Customs;
3. 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;
4. the goods imported are goods in respect of which the notified trade mark is registered in Australia; and
5. 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; **THEN**

# CUSTOMS IS REQUIRED TO SEIZE IMPORTED GOODS INFRINGING A NOTIFIED TRADE MARK UNLESS:

1. the Comptroller 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
2. the Comptroller is of the view that 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 legislative scheme does not provide for seizure of goods which are imported for the personal use of the importer and are not intended to be dealt with or provided in the course of trade.

The scheme does not empower Customs to take ex officio seizure action (ie action on its own behalf).

It is important to note that the seizure powers are drawn directly from the Trade Marks Act 1995 S133 (2). The authority to seize is separate from and should not be confused with the more general seizure provisions (relating to Customs search and seizure) contained in the Customs, Excise and Bounty Legislation Amendment Act 1995.

# NOTES:

1. The Trade Marks Act 1995 contains 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 full understanding of infringement of trade marks, reference should be made to Part 12 of the Act.

1. Section 133 can only be used to intercept "**infringing"** goods**.** It **cannot** be used to:

prevent the importation of genuine goods bearing a trade mark legitimately applied by, or with the authority of, the registered owner of the trade mark (parallel importing); or protect a trading arrangement between an Australian company and an overseas company.

# The Notice of Objection

1. A Notice of Objection, to be valid for the purpose of section 132, must:
2. object to the importation of goods infringing a trade mark registered in respect of goods;
3. identify the trade mark and the goods in respect of which it is registered; and
4. be lodged by a person entitled to lodge a Notice of Objection.
5. A Notice of Objection must be accompanied by:
6. clear copies (originals preferred), suitable for printed reproduction, of all trade marks covered by the Notice; and
7. 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; and
8. a Security.
9. The Notice of Objection must be lodged with and accepted by Customs before the goods are imported. A Notice of Objection cannot operate retrospectively.
10. Form B1025 has been designed for lodging Notices of Objection. Copies of it will be 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 unless it is revoked, before the end of that period, by notice in writing given to the Comptroller of Customs by the registered owner of the trade mark.

A Notice given by an authorised **user** of a trade mark remains in force for 2 years unless it is revoked, before the end of that period, by notice in writing given to the Comptroller 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.

# The Security

1. The amount of the Security will be an amount that the Comptroller considers sufficient to reimburse the Commonwealth for any expenses incurred by it in seizing the goods.
2. The purpose of the Security is to reimburse the Commonwealth for any expenses incurred by it as a result of action taken under section 133. 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.
3. Where the Security is insufficient to reimburse the Commonwealth for expenses incurred in relation to action taken under section 133 the amount of the excess is a debt due by the Objector which is recoverable in a Court of competent jurisdiction
4. Form B1026 has been designed to facilitate lodgement of the Security. Copies will be available from Customs.
5. Customs practice is to require that sureties to a Customs security 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 or may be found in appendix 5.1 of Customs Manual Volume 7 "Import Control".

# Persons Entitled to Lodge a Notice of Objection

1. A Notice of Objection may be lodged by:
2. the **registered owner** of a trade mark; or
3. an **authorised user** of the trade mark who is entitled by virtue of subsection 26 (1) to lodge a Notice of Objection.
4. An authorised user is entitled to lodge a Notice of Objection only if :
5. the authorised user has called on the registered owner to give a Notice of Objection and the registered owner has neglected or refused to do so within 2 months; and
6. an agreement exists between the registered owner and authorised user which permits that authorised user to lodge a Notice of Objection.
7. Customs would normally be satisfied as to the entitlement of an authorised user to lodge a Notice of Objection where, for example, a letter or fax from the registered owner consenting to the authorised user lodging a Notice of Objection is produced.

(**NOTE:** Persons lodging a Notice of Objection should carefully check all documentation to ensure that all information is included and is correct and that clear copies of all trade mark devices 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 and the introduction of the surveillance of the trade marks in question.)

# 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:

1. service provided under a particular trade mark;
2. trade marks not currently registered with the Trade Marks Office;
3. trade marks the registration of which has not been finalised by the Trade Marks Office;

# Help Customs to Help You

1. 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.
2. 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 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. (d) All information will be treated in the strictest confidence.

# 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:

1. a notice to the owner of the goods:

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

1. a notice to the Objector:

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

**.** giving the full name and address of the designated owner of the goods and any information that the Comptroller 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 (and the Comptroller is given notice of the action in writing) within 10 working days of the giving of the notice or, if the Comptroller extends that period (by a number of working days not exceeding 10), within the extended period.

# Forfeiture

The designated owner of any seized goods may, at any time before an objector starts an action for infringement of a notified trade mark in respect of the goods, consent to the goods being forfeited to the Commonwealth by giving notice in writing to that effect to the Comptroller.

If the designated owner gives such a notice, the goods are forfeited to the Commonwealth.

Goods forfeited in this manner and goods forfeited to the Commonwealth by court order are to be disposed of as the Comptroller directs.

# Release of Goods

The Comptroller must release seized goods to their designated owner if, within the **actionperiod** (described in 8 above):

1. proceedings for infringement have not been instituted by the Objector; and
2. the Objector has not given written notice to Customs that proceedings have been instituted. The Comptroller must also release seized goods to a designated owner if:
3. before the end of the action period the objector has, by notice in writing to the Comptroller, consented to the release of the goods and
4. at that time:
5. the Objector has not brought an action for infringement; or
6. any action commenced by an Objector has been withdrawn.

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

1. the Comptroller, 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
2. the objector has not brought an action for infringement.

The scheme of the legislation also requires that Customs release goods to their designated owner if, at any time after the expiration of 3 WEEKS AFTER THE INSTITUTION OF PROCEEDINGS, there is not in force an order

issued by the Court restraining the release of the goods.

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

# The Transition

If a Notice under Section 103 of the repealed Act objecting to the importation of goods infringing a registered trade mark is not revoked before 1 January 1996, the Notice will continue to have effect under Section 132 of the new Act until:

1. the Comptroller is given a Notice under section 132 objecting to any importation of goods infringing the trade mark; or
2. at the end of 3 months from 1 January 1996; whichever first occurs.

New forms will be available in January 1996.

# General Information

Current and intending Objectors should be aware that under the new Act (as was the case under the repealed Act), 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 Comptroller to appear and be heard.

Compliance with the requirements outlined in this notice will facilitate efficient and prompt processing of Notices of Objection.

Notices of Objection will continue to be assessed and processed in Canberra. They may be sent directly to the address given below, or lodged at local Customs offices for on-forwarding.

Further information regarding the new legislation may be obtained from Canberra from either the Australian Industrial Property Organisation (AIPO) on (06) 293 7444, or the Commerce Prohibitions and Restrictions (Policy)

Group, Cargo Facilitation Branch of the Australian Customs Service on telephone (06) 275 6571 or facsimile

(06) 275 6997 or post: Customs House, 5 Constitution Avenue, Canberra City, ACT 2601.

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

# New South Wales

Chief Inspector, Commerce Prohibitions and Restrictions Level 3, ACS Link Road Office, Mascot

Telephone: (02) 9317 7020 Facsimile: (02) 9317 7150

# Victoria

Inspector, Commerce Prohibitions and Restrictions 10th Floor, 414 La Trobe St, Melbourne

Telephone: (03) 9244 8000 Facsimile: (03) 9244 8680

# South Australia

Inspector, Commerce Prohibitions and Restrictions Customs House, 220 Commercial Rd, Port Adelaide Telephone: (08) 47 9378 Facsimile: (08) 47 9349

# Western Australia

Inspector Commerce Prohibitions and Restrictions Customs House, 2 Henry St, Fremantle

Telephone: (09) 430 1405 Facsimile: (09) 430 1391

**Northern Territory** Inspector, Cargo Facilitation

Customs House, Harry Chan Drive, Darwin Telephone: (089) 46 9851 Facsimile: (089) 46 9953

# Queensland

Inspector, Import Clearance

Australia House, 363 Adelaide St, Brisbane Telephone: (07) 835 3291 Facsimile: (07) 835 3337

# Tasmania

Inspector Exports and Entry Processing 25 Argyle St, Hobart

Telephone: (002) 30 1287 Facsimile: (002) 30 1262

(J M DRURY)

Deputy Chief Executive Officer CANBERRA

2 January 1996

(Cargo Facilitation: C95/03309)