

FCI:082672/16

infringement of a notified trade mark in respect of the goods. Goods forfeited are to be disposed of as the CEO directs (s.139).

6.8 Release of Goods

Section 136(1) of the *Trade Marks Act* states that the CEO must release seized goods to their designated owner if, within the action period (10 working days or the extended period of no more than 20 working days), the Objector has not:

- brought an action in court for infringement of the notified trade mark in respect of the goods seized; and
- given the CEO written notice of the action.

Section 136(2) states that the CEO must also release seized goods to their designated owner if:

- 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
- at that time either the Objector has not brought an action for infringement or any action they have brought has been withdrawn.

Section 136(3) goes on to say that the CEO may release seized goods to the designated owner at any time before the end of the action period if:

- the CEO, having regard to information that has come to his or her knowledge after the goods were seized, is satisfied that there are no reasonable grounds for believing that the importation of the goods infringed the notified trade mark; and
- the Objector has not brought an action for infringement.

Section 137(5) requires that Customs release goods to their designated owner if, three (3) weeks after the institution of proceedings, there is not in force a court order restraining the release of the goods. However, in spite of s.137(5), s.140 provides that Customs must not release the goods to their designated owner if Customs is required or allowed to retain control of the goods under any other Customs law or Commonwealth legislation. If the goods are released, this does not prevent an Objector later taking action under the Act.

7. CUSTOMS PROVISIONS UNDER COPYRIGHT ACT 1968

Amendments to the *Copyright Act 1968* came into effect on 1 July 1995. These amendments reflected international trends towards greater uniformity in the field of Intellectual Property Rights (IPR), and included the establishment of a legislative

FC11082672/17

scheme to implement Australia's response to requirements contained in the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).

Copyright material, as defined for the purposes of Customs in Part V, Division 7 of the *Copyright Act*, includes any literary, dramatic, artistic or musical work, a sound recording, a cinematograph film, a published edition of a work, a television or sound broadcast as recorded in a cinematograph film, or a sound recording. Examples of copyright material include pre-recorded video tapes, pre-recorded musical cassettes, compact discs, musical scores, computer software, company logos, paintings, artistic prints and books.

There is no system of formal registration of copyright. The copyright owner must prove the existence of his or her copyright in court if taking action against a producer or importer of unauthorised copies.

The *Copyright Act*, unlike the *Trade Marks Act*, also provides for action to be taken against the unauthorised use and parallel importation of copyright material. Parallel importation occurs where genuine goods (not counterfeit or pirated) are imported by someone other than the owner of the copyright or an importer authorised by the owner of the copyright.

This legislative scheme contained in ss.135-135AK and s.195B of the *Copyright Act* allows the owner of copyright material of any type, or an exclusive licensee, to object to the importation of goods which allegedly infringe their copyright, either because they are illegally produced 'pirate' copies, or because they are genuine copies being imported without permission (parallel importation). Customs is empowered to seize such goods pending court action by the Objector against the importer.

7.1 The Legislative Scheme - Seizure Provisions

Section 135 of the *Copyright Act* applies where a person other than the copyright owner or an exclusive licensee imports copyright material (whether legitimately obtained or pirated) for a purpose such as selling, distributing, letting for hire, or exhibiting in public, and the copies are subject to the control of Customs. If a Notice of Objection has been given in relation to the copies, Customs seizes the copies and holds them for a specified period.

The legislative scheme is for the detention at the border of potentially infringing goods at the request of the copyright owner or exclusive licensee (see ss.37-38 and 102-103 of the *Copyright Act*). It does not empower Customs to take ex officio seizure action. Customs' seizure powers consist of a function to detain which is dependent on civil litigation being mounted within a specified time period by the Objector (being the copyright owner or in certain circumstances the exclusive licensee) in the courts. Importers may also, if they wish, forfeit infringing goods to Customs before legal action has commenced.

FC1082672/1A

The seizure powers are drawn directly from s.135(7) of the *Copyright Act* and this authority should not be confused with the more general Customs search and seizure provisions contained in the Customs Act 1901.

7.2 The Notice of Objection

A valid Notice of Objection must:

- declare that the Objector owns, or is the exclusive licensee for Australia, of copyright in nominated material;
- object to the importation of copies of material which infringe that copyright; and
- be signed by the owner of the copyright, the exclusive licensee, or a person authorised to sign on their behalf.

The Notice must include details of the importer(s) authorised to import by the Objector and identify the copyright material and where the copyright exists. A Notice of Objection cannot operate retrospectively. Notices are sent directly to Customs House, Canberra, or lodged at other Customs offices for on-forwarding.

A copyright owner may wish to lodge a general Notice of Objection relating to importation of all material in which they hold or exercise copyright. Ten (10) copies of a list of the relevant material should accompany the notice. A preferable alternative is for the list to be supplied on an electronic medium acceptable to Customs. (Prior consultation with the Canberra Office is recommended in this case).

Objectors should carefully check documentation to ensure all information is included and correct in order to facilitate processing of the Notice of Objection. A Notice of Objection can be lodged at any time, but additional Notices for a current Objector should preferably be lodged no more frequently than every four (4) months.

7.3 The Security

Section 135AA of the *Copyright Act* requires the Objector to deposit a Security (currently \$5,000) before Customs can take seizure action. The Security must be in the form of either a cash deposit attached to a completed Notice of Security form, or a documentary security with surety, which forms part of the Notice of Security. In both cases, the Notice of Security must accompany the Notice of Objection at the time of lodgement. Sureties to a Customs security should be either an Australian bank or a guarantee company which has been approved to join as a surety (a list of such institutions is available from Customs offices).

The Security is intended to cover reasonable expenses incurred by Customs as a result of seizure action, such as costs associated with transport, storage and disposal of the seized copies. Where a debit note has been issued to an Objector for seizure expenses and the claim is not met, Customs draws on the Security. Customs is also entitled to

FCI1082671 /19

recover from the Objector any costs not covered by the amount of the Security as a debt due to the Commonwealth (s.135AJ).

7.4 Information on Possible Infringements

Customs should be supplied with as much information as possible about suspected unauthorised importations, for example:

- the name and business address of the importer;
- the name and business address of the consignee;
- a sufficiently detailed description of the suspect copies to make them as readily recognisable to Customs as possible. Where appropriate, a sample of the infringing copy or a photograph or other likeness reproduced on paper should be provided;
- the country of manufacture of the copies;
- the country from which the copies are being shipped;
- the name and business address of each foreign person or business entity involved in the manufacture and/or distribution of the copies;
- the mode of transportation and the identity of the transporter of the copies;
- the port where it is anticipated that the suspect copies will be presented to Customs;
- the anticipated date of presentation to Customs.

Information of this type is normally treated as confidential by Customs, but Objectors should nevertheless indicate at the time of supplying the information whether they believe it is confidential or commercially sensitive. Information can be supplied to a Customs office in the capital city of the state in which the copyright owner/licensee is resident.

7.5 Notification of Seizure

Section 135AC of the *Copyright Act* provides that as soon as is practicable after seizure of suspicious goods, Customs must either personally or by post deliver to both the importer and the Objector a written notice:

- identifying the copies;
- advising that the copies have been seized;
- stating that the copies will be released to the importer unless the Objector institutes an action for infringement within the prescribed retention period, and gives written notice to Customs stating that the action has been instituted.

Note: As a matter of Customs policy delivery by post will be by registered means to improve timeliness and accountability.

Copies referred to are those goods subject to the Copyright Notice of Objection.

The prescribed maximum period for which goods may be held is initially 10 (ten) working days after the Objector has been given notice of seizure. The Objector may apply to the CEO during this period to extend the holding time by a further 10 (ten)

FCI082672/20

working days. Customs grants this extension where it is of the opinion that such extension is reasonable.

Section 135AD of the *Copyright Act* allows Customs to permit both the importer and the Objector to inspect the seized goods during the retention period, and to take one sample of each of the seized goods. Where there are a number of different titles of copyright material seized, a single sample of each may be taken. Samples are provided on the undertaking they are returned to Customs.

7.6 Forfeiture of Goods

Section 135AE of the *Copyright Act* establishes a provision for the importer to give a written notice to the CEO consenting to the forfeiture of the seized goods to the Commonwealth. Importers must undertake this action before any litigation has been commenced by the Objector. Upon the conclusion of the court proceedings, it is the Court which determines what will be done with the seized goods, forfeiture being one possible outcome (s.135 AG(4)).

7.7 Release of Goods

If the Objector does not institute court proceedings within the prescribed retention period, and give the CEO written notice of this, the seized goods are released to the importer under s.135AF of the *Copyright Act*.

Section 135AF also states that the goods must be released to the importer if, three (3) weeks after court proceedings have been instituted, there is not in force a court order preventing the release of the goods. The court may, under s.135AG, order the release of the goods to the importer under whatever conditions it thinks fit. S.135AH enables Customs to retain control of the seized copies should they be subject to any other Customs law or Commonwealth legislation which requires Customs to take action (eg - prohibition controls, import duties, censorship).

7.8 Review of Action Taken

If Customs refuses to seize imported copies on the grounds that inadequate security has been given an Objector may apply to the Administrative Appeals Tribunal for review of this decision. An Objector or importer may apply for the review of a decision by Customs to refuse them permission to inspect the copies following seizure. However, the Commonwealth is exempted from any liability arising as a consequence of seizure, a failure to seize, or release of copies (s.135AK of the *Copyright Act*).

FOI.082671/21

8. CUSTOMS PROVISIONS UNDER SYDNEY 2000 GAMES (INDICIA AND IMAGES) PROTECTION ACT 1997

The *Sydney 2000 Games (Indicia and Images) Protection Act 1996* came into effect on 28 June 1996 and ceases on 31 December 2000. The purpose of the Act is to assist in preserving the financial integrity of the Sydney 2000 Olympic and Paralympic Games by facilitating the raising of licensing revenue for the Games through the protection of the use of the indicia and images associated with the event.

Preservation of this revenue is fundamental to achieving a good financial outcome for the Games, whilst ensuring a limited impact on government funds. The Olympics, although based in Sydney, is an Australian event and is part-funded by major sponsors and royalty payments generated by the sale of authorised merchandise.

Customs are working closely with the Sydney Organising Committee for the Olympic Games (SOCOG) and the Sydney Paralympic Organising Committee (SPOC) to ensure that only authorised licence holders are able to import merchandise with the approved logos and associated markings.

Section 32 of the Act establishes a legislative scheme allowing SOCOG and SPOC, or an exclusive licensee, to object to the importation of goods which allegedly infringe their rights. The designated owner of the goods is not authorized to use the indicia and/or images for commercial purposes. Customs is authorised to act under this legislation once a Notice of Objection has been given in writing to the CEO. Customs' role is to enforce the protection of intellectual property at the Customs 'border'. Section 33 of the *Sydney 2000 Games (Indicia and Images) Protection Act* empowers Customs to seize infringing goods pending resolution of court action brought by the Objector.

8.1 The Legislative Scheme - Seizure Provisions

Section 33 of the *Sydney 2000 Games (Indicia and Images) Protection Act* states that where goods manufactured outside Australia have been imported into Australia and are subject to the control of Customs, the goods are required to be seized by Customs when all of the following occur:

- the imported goods have had applied to them Sydney 2000 Games indicia and/or images;
- there has been given to Customs a Notice in writing objecting to the importation of goods that have applied to them Sydney 2000 Games indicia and/or images, in respect of the imported goods; and
- the goods, in the opinion of Customs, have applied to them Sydney 2000 Games indicia and/or images that the designated owner of the goods is not authorised by, or licensed under, the Act to use for commercial purposes in relation to the goods.

FCI082671/22

Seizure does not apply when:

- there are reasonable grounds for believing that the regulations governing the use of the Sydney 2000 Games indicia and/or images (as contained in s.12 of the Act) would not be contravened by the use by the designated owner of the indicia and/or images for commercial purposes; or
- the Objector has not provided sufficient security.

Customs provisions do 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 for commercial purposes. Nor does the scheme empower Customs to take seizure action on its own behalf.

The seizure powers are drawn directly from s.33(2) of the Act. Customs seizure powers consist of a function to detain which is dependent on civil litigation being mounted within a specified time period by the Objector (being either SOCOG or SPOC or an exclusive licensee) in the Federal Court. Importers may, if they wish, forfeit infringing goods to Customs before legal action by the Objector has commenced.

Customs' authority to seize under the *Sydney 2000 Games (Indicia and Images) Protection Act* is separate from, and should not be confused with, the more general search and seizure powers contained in the Customs Act 1901.

8.2 Definitions

The *Sydney 2000 Games (Indicia and Images) Protection Act* contains definitions as follows:

Sydney 2000 Games means the Sydney 2000 Olympic Games and the Sydney 2000 Paralympic Games.

Common Sydney 2000 Games images means any visual or aural representations that, to a reasonable person, in the circumstances of the presentation, would suggest a connection with the Sydney 2000 Olympic Games and the Sydney 2000 Paralympic Games.

Sydney 2000 Olympic Games images means any visual or aural representations that, to a reasonable person, in the circumstances of the presentation, would suggest a connection with the Sydney 2000 Olympic Games.

Sydney 2000 Paralympic Games images means any visual or aural representations that, to a reasonable person, in the circumstances of the presentation, would suggest a connection with the Sydney 2000 Paralympic Games.