



**Australian Government**  
**Australian Customs and**  
**Border Protection Service**

Customs House  
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Canberra ACT 2601

19 April 2012

Mr David Monk  
Acting Committee Secretary  
Joint Standing Committee on Treaties  
Parliament House  
CANBERRA ACT 2600

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Dear Mr Monk,

Following the public hearing on 19 March 2012 of the Joint Standing Committee on Treaties on the Anti-Counterfeiting Trade Agreement, the Australian Customs and Border Protection Service undertook to provide information in response to a number of questions from Senator Ludlum.

These responses are outlined below.

**Senator LUDLAM:**

*I understand that, under the current regime, there have been a number of seizures of what would fall within the remit of what we have been discussing today as counterfeit goods. I think somebody mentioned food products or something. What is the process currently? Do rights holders ring the Customs service and say, "We believe there's something in a particular shipping container that we want you to block?" How does it work?*

**Response:**

The document at Attachment A is a summary of the Customs Notice of Objection Scheme. In general terms, a right holder must lodge a notice of objection with Customs and Border Protection identifying their right to object to the importation of goods that infringe that right. Once in place the notice will be valid for four years. If a rights holder becomes aware of someone importing infringing goods to Australia they can provide their details to Customs and Border Protection and the information will be assessed to see if the consignment can be identified and intercepted.

**Senator LUDLAM:**

*How frequently does that occur in the instance, just narrowly, of the kind of material that is caught by this agreement?*

**Response:**

The document at Attachment B is a table illustrating the type of goods that were seized in the 2010-2011 Financial year. In summary, Customs and Border Protection seized 2,549 consignments of counterfeit goods, containing 606,208 items with an estimated potential retail value, if genuine, of over \$29 million.

**Senator LUDLAM:**

*If you could — I appreciate that you would not have this right at the table—provide us with a bit of detail, if there is any, about how many seizures there would be in an average year of materials that would be considered to be counterfeit within the ambit of ACTA. Is there anything in this agreement that you would expect would lead to any material change to the way in which Customs operates?*

**Response:**

As noted above, the table at Attachment B illustrates the Customs and Border Protection IP seizures for the 2010-2011 year.

**Senator LUDLAM:**

*What about the number of calls, the number of requests, to block or seize stuff? Are you anticipating any increase? It would be a little bit pointless to go to all this effort if there are wasn't an increase, I would have thought.*

**Response:**

Participation in the Notice of Objection Scheme has increased steadily over the last 5 years. In June 2007 there were 269 notices in place, and as of 1 March 2012 there were 525 notices lodged. These notices cover thousands of products as each notice may cover multiple brands or trade marks.

**Senator LUDLAM:**

*Would you tell us on notice where we could find that referral process? Is it on a website, is there a phone number, or is it both?*

**Response:**

All information about the notice of objection scheme is available on the Customs website <http://www.customs.gov.au/site/page5369.asp> including a fact sheet, relevant forms and a list of all notices currently in place.

**Senator LUDLAM:**

*I think our first witness today spoke of the fact that there appears to be no appeal rights. Have you ever been caught up in a situation where you have seized something that turned out not to be counterfeit material? What appeal rights do other parties have if you have blocked a shipment in error?*

**Response:**

As noted above, Customs and Border Protection does not make a determination as to whether trade mark or copyright infringement has occurred. This decision is made by a court, where a rights holder has taken court action to prevent the goods being released to the importer.

Consignments are held for 10 working days, to allow a rights holder the opportunity to commence legal action for infringement. During this time the importer is also given the opportunity to voluntarily forfeit the seized goods. If the importer does not believe the goods are infringing and declines to voluntarily forfeit the goods, the rights holder must initiate infringement action in the Federal Court to prevent the goods being released to the importer. If a rights holder does not initiate court action, after ten days the goods will be released to the importer.

During the infringement action, the burden of proof is on the rights holder to demonstrate:

- that they are the owner, or authorised user or licensee of the trade mark or copyright in question; and
- that the seized goods infringe their trade mark or copyright.

Costs resulting from any infringement action are determined by the court.

If goods are seized that do not infringe, the right holder can consent in writing to have the goods released to the importer. Customs and Border Protection can also release seized goods if information becomes available to show that the goods do not infringe the notified right. In such circumstances the importer may take action to recover losses sustained as a result of the seizure.

In addition to this response from Customs and Border Protection, the Department for Foreign Affairs and Trade undertook to provide a separate response to a question from Senator Thistlethwaite concerning the role of the SOPA/PIPA legislation in implementing ACTA.

The Attorney General's Department also provided, in a separate response to the Committee, a summary of the United States' Stop Online Piracy Act (SOPA) and PROTECT Intellectual Property Act (PIPA) to the Committee on 23 March 2012. Neither of the proposals implements ACTA.

Yours sincerely,

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**Australian Customs and Border Protection Service - IPR Border Enforcement**

Notice of Objection

There are specific powers for Customs to seize goods suspected of infringing trade marks and copyright within Part 13 of the *Trade Marks Act 1995* and Part 5 Division 7 of *Copyright Act 1968*. These measures establish the Notice of Objection scheme.

Under the Notice of Objection Scheme, trade mark owners and copyright holders may formally object to the importation of goods which infringe their rights.

Australian law places the onus of responsibility on the owners of trade mark and copyright IPRs for taking measures to protect their IP rights. This includes:

- trade mark registration; or
- stating where copyright is claimed and
- notifying Customs and Border Protection of the rights to be protected.

To protect trade marks and copyright material from the importation of goods which infringe their intellectual property rights, the trade mark or copyright owner, or in some circumstances the licensee or authorised user, must lodge a Notice of Objection with Customs and Border Protection.

A Notice of Objection is a legal document. It allows Customs and Border Protection to seize imported goods that are suspected of infringing a notified right. Without a notice of objection in place, Customs cannot seize goods suspected of infringing an IPR.

A Notice of Objection must contain:

- the name of the trade mark or copyright owner;
- the name of the authorised user/exclusive licensee (if different to the rights owner)
- the trade mark or copyright material intended to be covered by the notice including a description of the particulars of the right intended to be covered by the notice.

To register a Notice of Objection, the rights holder must provide the following to Customs and Border Protection:

- A Notice of Objection Form that advises the name of the trade mark or copyright owner, or authorised exclusive licensees and the trade mark or copyright material to be covered.
- the particulars for each trade mark or copyright material for which coverage is required. For trade marks, this detail can be downloaded from IP Australia using the ATMOSS search program ([www.ipaustralia.gov.au](http://www.ipaustralia.gov.au))
- a formal undertaking agreeing to repay any costs incurred by the Commonwealth as a result of the seizure.

Where an authorised user or licensee is lodging the Notice of Objection, Customs and Border Protection also requires:

- evidence that the authorised user or licensee has permission from the trade mark owner or copyright owner to lodge the notice; or
- evidence that the owner has refused to lodge the notice; or
- evidence that the owner has not responded to the request after 2 months.

Customs and Border Protection powers are restricted to seizing only those goods which are covered by a Notice of Objection and which are in Customs control. A Notice of Objection can not act retrospectively for goods suspected of infringing trade mark or copyright rights which have already been imported.

It is also important to note that a Notice of Objection applies only to goods being imported into Australia. A trade mark registration for services can not be the subject of a Notice of Objection.

A notice of Objection will remain in force for four years from the date of acceptance by Customs and Border Protection. A Notice of Objection may be renewed to ensure ongoing protection. A Notice of Objection may be withdrawn at any time by the owner or authorised user or licensee (as the case requires).

Separate notices are required if there are both trade marks and copyright rights to protect.

There is no application fee to lodge a notice. However, the rights holder will be responsible for costs associated with the seizure of any goods. These costs may include transportation, storage or disposal of the goods. Costs can vary depending on the nature and quantity of the seized goods. To ensure the payment of these costs, Customs requires the rights holder to enter into a deed of undertaking

### How the Scheme Works

When suspected infringing goods are encountered, Customs and Border Protection officers identify whether the trade mark or copyright material are the subject of a Notice of Objection. If there is no Notice of Objection in place covering the IP rights for the goods intercepted, the goods are released to the importer. If a valid Notice of Objection is in place, Customs and Border Protection will seize the goods unless information is on hand which indicates that the IP rights are not infringed by the importation. This may be the case if the goods are found to be, for example, parallel imports.

In the case of trade marks, if a valid Notice of Objection is in place and registration of the trade mark covers the goods found, Customs and Border Protection will seize the goods unless information is on hand which indicates that the IP rights are not infringed by the importation. This may be the case if the goods are found to be, for example, parallel imports.

Once the goods have been seized, both the importer and the right holder are formally notified and advised that the right holder has 10 working days within which to commence legal action. This 10 day action period may be extended by a further 10 working days if a delegate of CEO of Customs and Border Protection deems appropriate. The importer is advised that they have the option to voluntarily forfeit the goods to the Commonwealth. For this to take place however, Customs and Border Protection must have received written consent from the importer that the goods have been forfeited, before the commencement of any legal action by the right holder.

If the goods are voluntarily forfeited, the goods are disposed of by Customs and Border Protection. This is usually by destruction or, where appropriate, and with the right holder's consent, through donation to charity.

Where the goods are not voluntarily forfeited by the importer, the right hold has two options:

1. commence infringement action against the importer through the courts; or
2. consent to the release of the goods to the importer.

If Customs and Border Protection does not receive from the rights holder, written confirmation of the commencement of court action within the action period, the goods are released to the importer.

At the commencement of any court action, if the court finds that the goods do not infringe, it will order the release of the goods to the importer. If the court finds that the goods do infringe IPR, the goods will be ordered to be forfeited to the Commonwealth and will be disposed of as directed by the CEO of Customs and Border Protection.

# Attachment B

## Australian Customs and Border Protection - IPR Seizure Statistics - 2010-2011 - by category of goods

Month of seizure	Data	Description (PRODUCTS)																			Grand Total			
		batteries	car parts & accessories	Cosmetics & Toiletries	Electronic Appliances	Food & Beverages	Footwear	Jewellery & Watches	Leather Goods	lighters	Mobile Phones & Accessories	Motorcycles	other	packaging & labels	Pharmaceuticals	Photographic Products	sporting goods	Sunglasses	Textiles	Tobacco		Toys and Games	Writing Materials	Computer Accessories & Software
January	No. seizures			11	22		2	18	3		13		1	9		18		9	50		19	15	10	200
	No. items			855	187		13	923	7		545		30	426		270		130	1517		878	4236	153	10170
	Value \$AU			44150	49250		2900	100050	3400		50135		600	8985		17966		51800	73260		28480	10804	63200	504980
February	No. seizures		6	17		4	25	26		5		1	5	1	8		21	34		10			4	167
	No. items		93	345		10	583	2730		551		4	7	184	287		1368	5963		3747			123	15995
	Value \$AU		9000	70680		2050	654500	3481820		43530		160	2130	7360	10128		540800	353130		61260			31000	5267548
March	No. seizures		1	18	16		10	5	8		17		2		12		3	45		1	2		22	162
	No. items		120	283	148		4068	118	338		2152		126		249		240	754	101760		816		404	111576
	Value \$AU		24000	25650	31650		89850	19680	321300		98240		6300		9550		60750	61300	1628160		8160		155600	2540190
April	No. seizures			9	17		5	4	30		3				9		2	24			15		7	125
	No. items			620	263		149	292	844		1318				418		52	8693			33933		144	46726
	Value \$AU			32500	34260		23500	67350	476200		57320				19540		13750	286880			695260		50400	1756960
May	No. seizures	1		28	23		8	13	33		11	2	1	15		28	1	11	33		7	2	10	227
	No. items	191328		693	297		219	233	328		1734	14	59	457		1189	200	652	1474		5161	2121	2136	208295
	Value \$AU	382656		49530	52700		35950	240500	250660		145130	700000	1770	63605		37070	60000	239350	93740		128909	10605	118760	2610935
June	No. seizures		23	26		4	4	1	2	26				5		24	1		25		13		2	156
	No. items		865	254		94	503	196	237	6197				1529		10616	24		620		34343		20	55498
	Value \$AU		46150	47300		12000	258700	98000	11850	262360				87950		330590	7200		76300		234535		10000	1482955
July	No. seizures		2	24		26	2	22		11		8			5		2	22			5		3	132
	No. items		802	158		367	53	380		179		1125			150		3	6713			8927		45	18902
	Value \$AU		8100	47400		39700	8820	306580		92100		24200			4500		900	758230			176620		12600	1479750
August	No. seizures		9	39	1	17	47	29		19					20		11	103		1	26	7	6	335
	No. items		400	480	4800	591	2328	621		365					931		118	5318		133	5445	2999	107	24636
	Value \$AU		30460	77860	9600	36485	1499286	805990		142700					31060		28135	176255		13300	171565	32820	11960	3067476
September	No. seizures		11	64	1	10	21	52		17		10			56		18	53					9	322
	No. items		452	418	1104	189	1545	508		208		457			956		187	5929					174	12127
	Value \$AU		18670	107700	55200	37800	1118225	428400		136520		8368			70080		37230	300055					54900	2373148
November	No. seizures		11	68		33	32	24		15	1				34		23	64			15		8	328
	No. items		604	793		1808	4753	521		904	99				1183		1125	17868			20444		104	50206
	Value \$AU		25200	208550		338560	431185	485500		643550	99000				51030		270600	1359910			617120		41950	4572155
December	No. seizures		9	73	2	16	8	29		12				3	18		8	56			2		3	239
	No. items		578	743	7210	437	332	1553		787				3647	480		227	3516			24660		44	44214
	Value \$AU		34300	163900	52500	58560	90250	164890		611500				18235	16150		82800	553010			246600		17600	2110295
October	No. seizures		5	32		4	7	2		14		7			25		22	23			10		5	156
	No. items		540	174		145	20	10		268		937			343		178	4195			684		369	7863
	Value \$AU		39420	42300		15850	14300	6500		40150		5015			31350		67200	916050			32830		42310	1253275
Total No. seizures		1	1	142	421	4	139	186	259	2	163	3	30	37	1	257	2	130	532	2	124	24	89	2549
Total No. items		191328	120	6785	4260	13114	8090	11683	8036	237	15208	113	2738	6066	184	17072	224	4280	62560	101893	139038	9356	3823	606208
Total Value \$AU		382656	24000	363130	933550	117300	693205	4502846	6829240	11850	2323255	799000	46413	180905	7360	629014	67200	1393315	5008120	1641460	2401339	54229	610280	29019667