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THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA  
HOUSE OF REPRESENTATIVES

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TRADE MARKS AMENDMENT BILL 1981  
EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Science  
and Technology, the Honourable David Thomson, M.C., M.P.)

TRADE MARKS AMENDMENT BILL 1981

OUTLINE

The primary purpose of the Bill is to amend section 103 of the Trade Marks Act 1955 which provides that, under certain circumstances, a prohibition may be placed on the importation of goods manufactured outside Australia and bearing a trade mark registered in Australia. The section has at times been used to prevent trade in genuinely marked goods where no infringement is involved.

The amendments to section 103 are to ensure that its provisions for seizure by the Comptroller-General of Customs and subsequent forfeiture by order of a court are applicable only to goods which, if imported in the course of trade, would infringe the substantive rights of the proprietor of a registered trade mark as determined by sections 58 and 62 of the Trade Marks Act. That is, section 103 is to apply only as an additional enforcement measure available to a proprietor to protect his rights against infringement by imported goods. Registered users of a trade mark will also be able to avail themselves of this remedy under certain circumstances.

The procedures provided by amended section 103 are similar to those provided in ordinary infringement proceedings.

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NOTES ON CLAUSES

Introduction

Clauses 1 and 2 of the Bill provide for the short title and commencement of the legislation.

Jurisdiction in infringement actions

2. Clauses 3, 4, 7, 8, 9 and 11 make a technical drafting change to the provisions of sections 6A, 67, 112, 113, 114 and 124 of the Principal Act concerning jurisdiction of courts in the Trade Marks Act. This is to ensure that there are no problems in the conferral of jurisdiction on Territory courts.

Importation of goods infringing Australian trade marks

3. Sub-clause 5(11) of the Bill substitutes new section 103 into the Principal Act. Section 103 will still be able to be used by a registered proprietor or registered user of a trade mark to prevent the importation of goods bearing that trade mark. However, that will be the case only if the importation of the goods would constitute an infringement of the trade mark. Section 103 will thus be an extra enforcement procedure to protect the registered proprietor of a trade mark against infringement.

Interpretation

4. Sub-section 103(1) provides definitions of "objector" and "owner" for the purposes of section 103. An "objector" to the importation of goods may be the registered proprietor or, under some circumstances, a registered user of a trade mark. The "owner" of the imported goods is the person whose name

appears as the owner on the Customs entry for the goods. Sub-section 103(2) provides that an agent of the owner may in some cases be treated as the owner for the purposes of the section.

Seizure of infringing goods

5. Sub-section 103(3) provides for the seizure by the Comptroller-General of Customs of imported goods bearing a trade mark. This will apply where a notice objecting to the importation of goods infringing a registered trade mark has been lodged, and where the mark appearing on the imported goods is substantially identical with or deceptively similar to the registered mark. However, the Comptroller-General is not to seize the goods if he is satisfied that there are no reasonable grounds for believing that the importation constituted infringement.

Security

6. Sub-section 103(4) provides for the requiring of security by the Comptroller-General from the objector so as to allow reimbursement of the Commonwealth for expenses incurred in relation to actions taken in respect of imported goods. Expenses exceeding the amount of the security may be recovered by the Comptroller-General under sub-section 103(22).

Registered users

7. Registered users may, in the circumstances set out in sub-section 103(5), object to importation where the registered proprietor refuses to do so. Sub-section 103(13) ensures that such registered users have the right to take infringement proceedings notwithstanding other requirements in section 78 of the Act.

Procedures after seizure

8. Sub-sections 103(6) to (11) make provision for the control of the goods and for the actions to be taken by the Comptroller-General, the objector and the owner, where imported goods have been seized under sub-section 103(3).

9. The Comptroller-General must notify the objector and the owner of the seizure (sub-section 103(7)).

10. If the Comptroller-General later becomes satisfied that there is no infringement involved, he may release the goods by virtue of sub-section 103(8).

11. Sub-section 103(9) provides for forfeiture of the goods by consent of the owner, and sub-section 103(10) for release of the seized goods where the objector consents.

12. Sub-section 103(11) enables release in some cases of seized goods, subject to removal or alteration of the offending marks or subject to the goods being exported.

Action or proceeding for infringement

13. Sub-section 103(12) provides for release of seized goods unless the objector institutes infringement proceedings in respect of the goods and notifies the Comptroller-General of this within one month from notification of the seizure.

When infringement proceedings are commenced, sub-section 103(14) provides for release of the goods unless the court orders otherwise.

14. Sub-section 103(15) provides for a person to apply to the court to be joined as a defendant in infringement proceedings.

15. The Comptroller-General is compelled by virtue of sub-section 103(16) to comply with any order of the court in the infringement proceedings.

16. Sub-section 103(17) enables the defendant in certain cases to recover compensation from the objector where a court determines that the seized goods did not infringe the objector's trade mark.

17. Sub-section 103(18) enables the Comptroller-General to retain control of seized goods pursuant to another law of the Commonwealth, despite any court order made during infringement proceedings.

18. The court hearing infringement proceedings is enabled by sub-section 103(19) to make various orders in relation to the release or forfeiture of the seized goods, and sub-section 103(20) provides for the disposal of forfeited goods.

19. The Comptroller-General is entitled by sub-section 103(21) to appear and be heard in infringement proceedings.

20. Sub-section 103(23) has the effect that time limits provided in section 103 cannot be extended by the Registrar of Trade Marks.

Liability of the Commonwealth

21. Sub-section 103(24) exempts the Commonwealth from liability for loss or damage caused by seizure, failure to seize, or release of goods seized under section 103.

Delegation by Comptroller-General

22. Sub-sections 103(25) to (27) provide for delegations of the Comptroller-General's powers.

Transitional provisions

23. Sub-clauses 5(2) to (5) are transitional provisions. Amended section 103 is applied to all goods which are imported after commencement of the Bill. The amended section also applies as far as possible to goods which have already landed but which have not been released or disposed of by the Comptroller-General. For these purposes, notices of objection given under present section 103 will operate for a limited period under the amended section.

Power to require information

24. Clause 6 makes a drafting amendment to section 104 of the Principal Act consequential on the amendments to section 103.

Application for review

25. Clause 10 of the Bill amends section 116 of the Principal Act which provides for applications for review to the Administrative Appeals Tribunal from certain decisions. Such applications for review are not available for decisions taken under amended section 103, since infringement proceedings under the section are to be heard in a prescribed court.