

Protect Your IP

IP rights can be a businesses most valuable asset. While Disneys' 2013 hit *Frozen* grossed US\$1.3 billion at the box office, Forbes reported¹ that the licensing of the IP rights accumulated US\$107.2 billion in retail sales.

Another example is that of Lucasfilm's astute decision to retain the IP licensing rights for consumer products for the first six Star Wars films, that aided George Lucas become a billionaire.

IP rights being valuable need protection from pirates and counterfeiters.

Under common law notions, each distinct form of IP, is an artificial construct. IP is made up of a number of distinctive categories, each statute defining the particulars of the property and limits to the rights. Accordingly, the categories need to be understood as discrete legal and political constructs.

Being discrete constructs, each form of IP is a creature of statute. The traditional and internationally recognised forms being:

- ✚ Copyright;
- ✚ Trade Marks;
- ✚ Designs; and
- ✚ Patents.

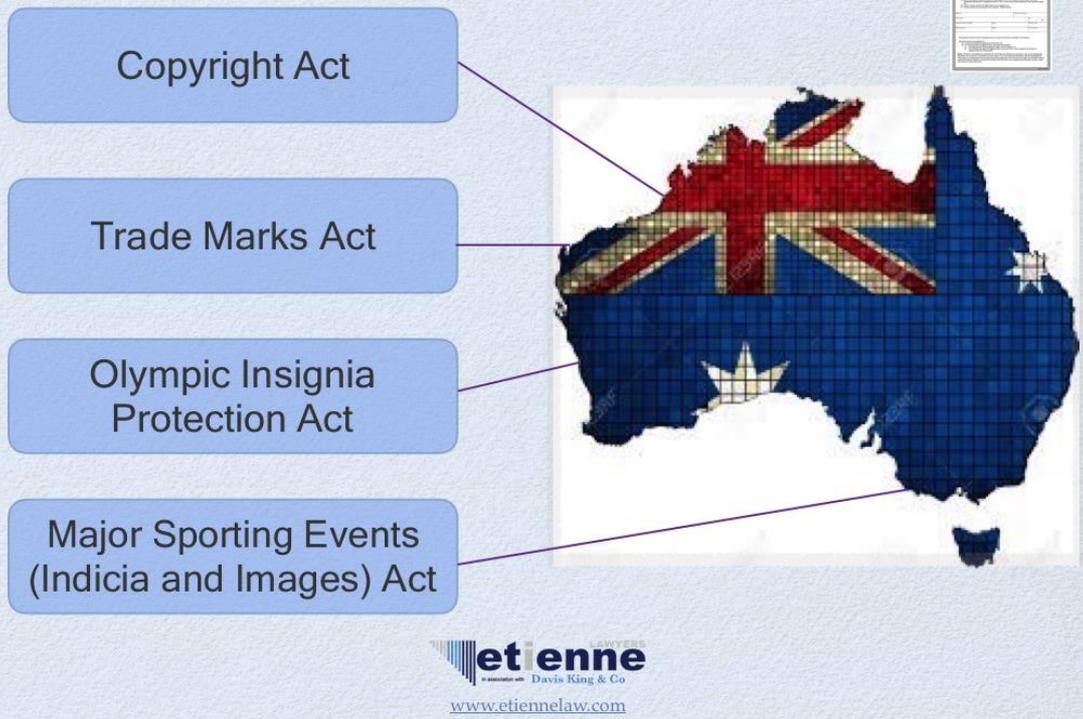
Besides the international recognised forms in Australia the following rights are also protected:

- ✚ Circuit Layouts;
- ✚ Plant Breeders rights;
- ✚ Olympic insignia; and
- ✚ Particular major sporting events.

Various acts provide for IP protection through search and seizure orders at the point of importation into Australia. This is achieved by the Notice of Objection regimes under various acts. Enforced by Border Force; an arm of the Department of Immigration and Border Protection. Here, Border Force is the actor that conducts the search and seizure.

¹ <http://www.forbes.com/sites/natalierobehmed/2015/07/28/the-frozen-effect-when-disneys-movie-merchandising-is-too-much/-301d38c45f08>

Border Protection of IP - Notice of Objection



Once in Australia pirated or counterfeit goods can be sought out and seized. The purpose of such search orders is to preserve evidence needed to prove the IP right owner's claim that its goods are being counterfeited or pirated, and their IP rights infringed.

Each of the statutes that create the distinct form of IP contains rights for pirated goods to be searched for and seized.



Who can search and seize the counterfeit goods depends on who is taking the action. For instance, under the Copyright Act 1968 and Trade Marks Act 1995, the Federal or State Police have rights to criminally prosecute infringers of IP rights owners copyright and or trade marks. Besides criminal sanctions, IP rights owners have private or civil rights to search for and seize infringing goods.

Search orders are a species of discovery of the most extreme kind, which lie at the very limit of a court's civil jurisdiction. To protect the competing rights of the IP rights owner and the (alleged) pirate a Court ordering the (alleged) pirate or counterfeiter to permit an IP rights owner's representatives to search and seize goods must do so under supervision of an independent solicitor. This solicitors role is to supervise the enter, search, copying of documents and removal of property from the (alleged) pirate or counterfeiter's premises for safekeeping and evidence gathering purposes.

In addition to the specific protections from the acts that create the distinct forms of IP, in Australia we have the unique form of remedy of misleading and deceptive conduct. Where an IP rights owner can establish that it has a reputation in its trade mark or even get-up such that the get-up has become distinctive of the IP rights owners business or goods, and the use of the trade mark or get-up by a counterfeiter can if consumers are misled or deceived into believing that the counterfeiter's business or goods are those of the IP rights owner then the IP rights owner can successfully injunct the counterfeiter from engaging in such conduct. In protecting such rights the IP rights owner can, in certain and usually extreme circumstances, prior to seeking final relief obtain search and seizure orders against the counterfeiter.

In deed in cases of involving cross border matters, or when many consumers have been caught by the misleading and or deceptive conduct, the ACCC may even step in. The first instance of this occurred in **ACCC v Bindert (Ben) Kloosterman & Ors** NSD1391/2008.

On 5 September 2008, the ACCC initiated legal proceedings against www.designerbrandoutlet.com (Designer Brand Outlet “DBO”), alleging contraventions of the misleading and deceptive conduct provisions. The ACCC took action due to representations on DBO’s website that items for sale were genuine designer label women's clothing when in fact these items were counterfeit copies. The brands which were the subject of the alleged counterfeiting including Chloe, Marc Jacobs and Diane von Furstenberg.

This matter was brought to the ACCC’s attention by the United States Federal Trade Commission (FTC). The FTC provided the ACCC with a number of consumer complaints. In addition to the complaints received from the FTC, the ACCC also received complaints from consumers in the United Kingdom and a number of Australian states. The complaints variously related to Designer Brand Outlet (DBO) accepting payment and not delivering the goods, goods received not matching the goods ordered (including issues relating to authenticity), refunds not being provided and consumers being unable to contact the company.

The ACCC obtained a number of interim interlocutory orders against DBO. In addition, the ACCC appears to have obtained orders suspending the DBO website, for the time being.

The Federal Court, by consentⁱ confirmed the interlocutory injunctions and the defendants, Kloosterman and Shi, settled a claim for compensation to be paid to the misled consumers.

In deciding which act to rely upon to protect IP rights, care must be taken in weight the advantages and disadvantages of the protections in the various acts.

The area of IP protection will only become more important as the economies of the world are driven more and more by IP than physical forms of assets.

Consequently, in competing against well known brands be careful.

If you are an IP rights owner note the protective weapons you have in your arsenal.

ⁱ Final orders available on the Federal Court of Australia website at: <https://www.comcourts.gov.au/file/Federal/P/NSD1391/2008/3549912/eve nt/25652026/docume nt/150771>