New tools of the trade (mark) - changes to the parallel importation defence, unjustified threats and trade mark prosecution procedure

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Parallel importation defence

In force from 25 August 2018, section 122A has been introduced which considerably limits the circumstances where contractual relationships or corporate structuring can be used to restrict parallel importation via infringement actions brought under the TMA.

Section 122A states that infringement does not occur where:

- The importer has made ‘reasonable enquiries’ about whether the trade mark was applied to the goods with the relevant consent, ie seeking a certificate of authenticity from a supplier or otherwise confirming provenance
- Based on these enquiries, a ‘reasonable person’ (objectively) would conclude that the trade mark was applied with consent of the relevant trade mark registrant; an authorised user (a licensee); a person permitted to use the mark by the registrant; a person permitted to use the mark by an authorised user, with power to give such permission; a person with significant influence over use of the trade mark by the registrant or authorised user; or, an associated entity within the meaning of the Corporations Act 2001 (Cth).

Notably, this new section clarifies that the application of a trade mark with consent may be subject to a condition i.e. the branded goods are only for sale in a foreign country and therefore this consent may be reasonably inferred from such conduct. Further, the provision states that it is not relevant for the courts to consider whether a person’s permission to use or influence application of the trade mark arose directly or indirectly, or by proprietary interest, contract, arrangement, understanding, a combination of those things or otherwise.

Businesses should therefore be mindful that the assignment of trade marks or corporate structuring will have little or no effect to prevent parallel importation. However, this change does not change the TMA’s position on, and role in preventing, counterfeiting.

Unjustified threats of proceedings

Changes to the unjustified threats provisions include:
Insertion of section 129(2A) that provides guidance for the factors courts may consider in awarding additional damages for making an unjustified threat, such as the flagrancy of the threat, deterrence, any benefit shown to have accrued from making the threats and all other relevant matters, including the financial means of the person making the unjustified threat

Insertion of section 130A to clarify that merely notifying a third party of the existence of a registered trade mark does not constitute a threat to bring an action for trade mark infringement.

These amendments will come into effect by 24 February 2019, and the now repealed subsection 129(5) will apply to threats made until the commencement date. As a result, there will be greater clarity on the threshold required for conduct to amount to an ‘unjustified threat’ and greater deterrence for overzealous assertion of rights by parties.

Customs seizures notices

Amendments to section 134 of the TMA now allow the Australian Border Force to issue customs seizure notices by any means, including electronically, and the Comptroller-General of Customs to omit the name and address of the objecting trade mark owner if they are satisfied it is necessary for confidentiality reasons. This amendment has come into force and applies to notices submitted on or after 25 August 2018.

Non-use applications

Section 93 of the TMA has been amended to allow parties to make ‘non-use applications’ for removal of trade marks from the Register after three (3) years from the date of registration. This amendment will come into effect by 24 February 2019 and will only impact trade mark applications on or after this section's commencement date. This reduction brings Australia’s non-use provisions into line with international standards and will allow parties to take action against trade marks that may obstruct applications sooner than the current standard.

Oppositions

The Registrar can now require opposing parties that do not reside or carry on business in Australia to provide security for costs in a wider range of opposition proceedings, such as for opposing amendments to applications that have already been advertised. This change affords greater protection to parties that are defending a trade mark in opposition proceedings and will come into effect by 24 February 2019.

Computerised decision-making, electronic notices and filing requirements

The Act has also given the Commissioner/Registrar broad powers to use computerised and/or computer-assisted decision making for processes. This is directed at improving the timeliness and accuracy of decision making, enabling IP Australia staff to deal with more complicated matters and allowing for the exploration of novel technologies.

Once implemented, the provisions explicitly require any computer program authorised to make a decision to comply with existing legislative requirements for decision making such as allowing appeals and the Registrar to substitute an incorrect decision without the need for an application requesting a review.

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