

CUSTOMS FAQ

I am worried that someone is going to import infringing copies of my product into New Zealand – what can I do? The New Zealand Customs Service ("Customs") runs a very effective border surveillance system using what are called Customs Notices. Customs is only able to take action against counterfeit or infringing goods if the relevant Notices are in place.

What can I get a Customs Notices for? Currently the Customs Notice system is available for use with trade marks or copyright works. A trade mark notice can be lodged in respect of a registered New Zealand trade mark. A copyright notice can be filed for works in which copyright subsists (see our "**Copyright FAQ**" for more information on this).

Can I get a Customs Notices for my patent or design? No. The Customs Notice system in New Zealand is only available for use with trade marks or copyright works.

What sort of protection does a Notice give? Both Notices offer different protection. A trade mark notice offers strong protection as it is based on a trade mark registration and will usually prevent goods being imported if they carry the same trade mark regardless of what it looks like. However they are limited to particular classes (or categories of goods and may not capture everything the mark has been applied to). A copyright notice is not limited to one class of goods. However the Notice will only stop goods which look the same as those protected by the copyright notice.

We have registered our logo as a trade mark. Would we file a Customs Notice for only a trade mark? Not necessarily. Many rights-holders choose to lodge both trade mark and copyright notices for their logos as the logo will usually be protected as an artistic copyright work.

Do I have to register my trade mark in New Zealand to file a trade mark notice? Yes.

What documents do I need to lodge a Notice with Customs? In order to file a trade mark notice or a copyright notice with Customs, you will be required to submit various documents including the Notice itself. In the case of a trade mark notice this will include confirmation of the registration from the Intellectual Property Office of New Zealand. For a copyright notice, you will need a copy of the copyright work and various other details about the copyright author and owner.



Do I have to pay for the Customs Notice? There are no official fees for applying for a Notice. However you will need to provide Customs with a signed security form that indemnifies them for any loss incurred on your behalf (such as for storage or transportation of infringing items) together with a security payment of NZ\$5,000. If you use a lawyer or patent attorney to prepare and lodge the Notice for you most will charge a fee.

How long does it take to lodge a Customs Notice? We can lodge a Notice within a few days of receiving all the information we require to lodge the notice and security of \$5000 (see above).

What happens to the security? The security of NZ\$5,000 is held by Customs in an interest bearing trust account and is refundable at the end of the Notice period, less any costs incurred. The Customs Notice system has been in place in New Zealand for over 10 years. As far as we are aware Customs has never deducted any money from a security.

How long is a Notice valid for? Once lodged, a trade mark notice is valid for five years, or until the trade mark registration expires, whichever comes first. With the copyright notices – again, the notice is valid for five years, or until the copyright expires, whichever comes first. Notices can be renewed for successive five year periods until the copyright or trade mark registration expires.

How does Customs know when to detain suspected infringing goods? Once a Notice is lodged, Customs will inspect shipments randomly for infringing goods, and will detain any goods it suspects of infringing the relevant trade mark and/or copyright work. If necessary, it will confirm with the trade mark/copyright owner (usually by way of a digital photograph) that the goods are in fact counterfeit before doing so.

If Customs decides to stop suspect goods what does it do? It sends a letter to the importer advising that the goods have been detained and allowing the importer the opportunity to consent to forfeit the counterfeit goods to Customs.

When will I hear about the detained goods? Once Customs has given the importer the opportunity to forfeit the goods it will send you (or more usually our firm as representative) a letter identifying the importer and, usually, the source of the infringing goods. The letter will advise whether or not the importer has consented to forfeit the goods.

What happens if the importer has not agreed to forfeit the goods? If the goods have not been forfeited, there is a 10 day working period (extendable to 20 working days in limited



circumstances) in which you can try to get the importer to forfeit the goods. If the importer doesn't agree, or if they cannot be contacted, then the goods may be released to the importer - unless you institute legal proceedings.

What can I do to get the importer to forfeit the goods? Usually when notice is received that the goods have not been forfeited, we will seek your instructions to send a "cease and desist" letter to the importer demanding immediate forfeiture and payment of a contribution to the costs incurred by you. In the majority of cases, we are able to convince the importers to forfeit the goods. The goods are then destroyed by the Crown.

Will infringing goods still come into New Zealand even when I have filed a Customs Notice? Customs obviously cannot search every box in every shipment entering New Zealand. Inevitably, a certain quantity of counterfeit or infringing goods will always get past the border even if Notices are lodged with Customs. However, Customs do have a database of previous infringers and are particularly helpful when advised of suspected suppliers and/or importers.

How can I assist Customs? It is helpful to provide Customs of details of where genuine products are being made and who is entitled to import them. This will ensure they do not hold up genuine product by mistake. Also if you have reason to suspect a particular company is importing infringing products, or you know of a particular manufacturer making or selling counterfeit products overseas, you should provide those details to Customs as they may assist Customs in identifying shipments from or by known infringers.

How effective is a Customs Notice? In our experience, approximately 80% of importers will agree to forfeit upon detention by Customs. We also find that the Notices have a deterrent effect - importers review the Notices lodged and avoid importing goods where the requisite Notices are in place. Over the last 10 years, Customs Notices have proven to be a very cost effective and efficient means of stopping the importation of infringing goods into New Zealand.

Can you lodge Customs Notices overseas? We are also able to lodge border protection notices in Australia. Customs "Notices of Objection" lodged in Australia operate on basically the same system as in New Zealand.

Where can I find out more information on Customs Notices? You can find out more by contacting our Anti-Counterfeiting Team.

THE ABOVE IS PROVIDED FOR GENERAL INFORMATION PURPOSES ONLY AND DOES NOT TAKE THE PLACE OF SPECIFIC LEGAL ADVICE. FOR MORE SPECIFIC ADVICE ON ALL ASPECTS OF INTELLECTUAL PROPERTY LAW PLEASE CONTACT US.

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