

New IP Laws Give More Green Lights For Parallel Imports But Add Shades Of Grey For Counterfeit



Okay, so we aren't talking fifty shades here but new amendments to Australia's IP laws may cause trade mark owners to think twice before they try and throw the book at importers.

In late 2016 the Productivity Commission released a report into Australia's IP regime and boy was it a page turner. Finally, some of the Commission's recommendations have been introduced. There's more to come (the 'Part One' in the title of the Act is a bit of a spoiler), and all areas of IP will be affected.

The biggest change so far is one for the importers. Previously, importing goods that apply a registered trade mark without the consent of the owner caused an automatic infringement of the relevant mark, with no defence. Great for local trade mark owners trying to protect their brand from dodgy fakes entering the country or, with some creative contractual arrangements, circumventing Australia's pro parallel importation policy. Not so great for importers, both those looking to import genuine goods from overseas and those who roll the dice on that deal from Alibaba.

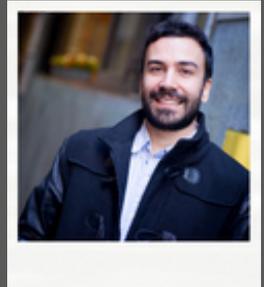
Now, there is no infringement if an importer can show that they made 'reasonable inquiries' and a 'reasonable person' would have concluded that the goods were genuine (including who applied the trade marks to the goods). We get it, the old way meant things could get unclear for importers doing their best to work out if the 'owner' consented where there is a web of overseas related companies and distributors and marks being assigned back and forth. Parallel imports increase competition and we have no problem with making it easier for legitimately trade marked goods to come into Australia.

But the result is that there is a defence available to counterfeiters to attempt to argue, adding a potential hurdle for trade mark owners wanting to enforce their rights.

We're looking forward to seeing how the courts interpret the extent of the inquiries required to satisfy the defence, but expect it to be more than receipt of an email in Comic Sans saying '100% GeNuInE1!@1!' (never trust Comic Sans).

One thing's for sure though, it's no longer a black and white issue.

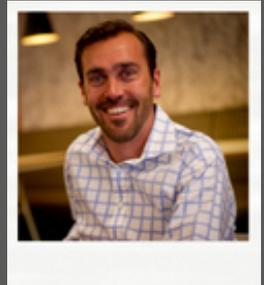
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