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Counterfeit and lookalike toys – Legal considerations and strategies

Marine Guillou
Principal

Australian Toy Association
20 July 2023

Agenda



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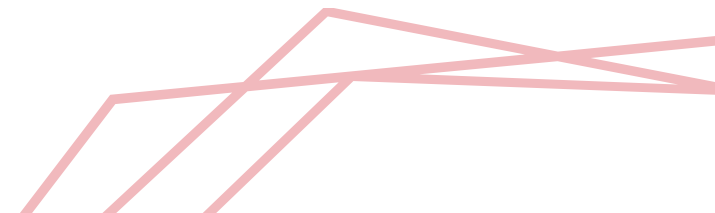
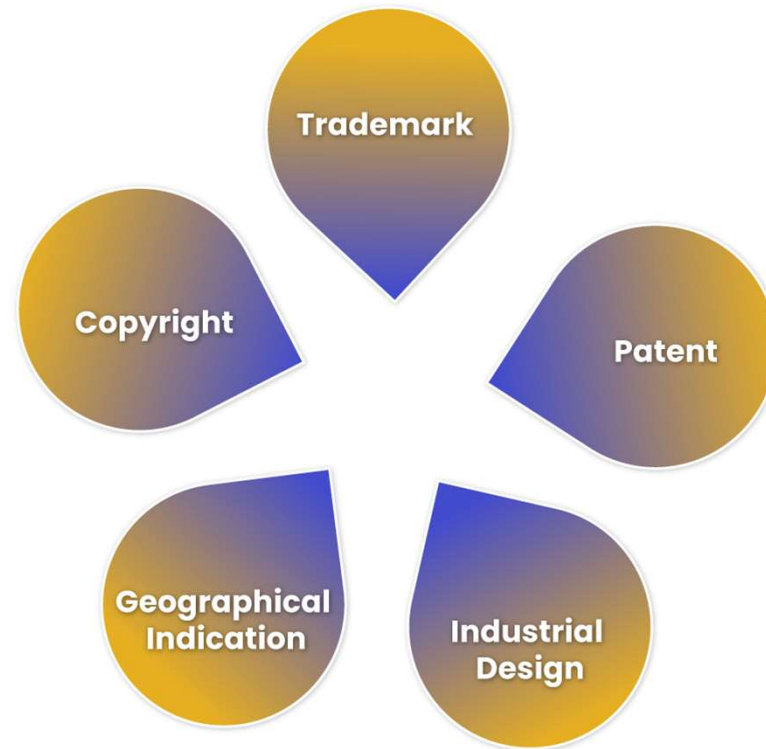
1. Types of Intellectual property rights
2. What are counterfeit / lookalike products
3. Recent trends in counterfeiting
4. Possibilities of action:
 - At the border with Australian Border Force
 - Online
 - Offline in Australia or overseas



What is Intellectual Property?



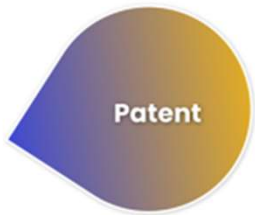
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What is Intellectual Property?



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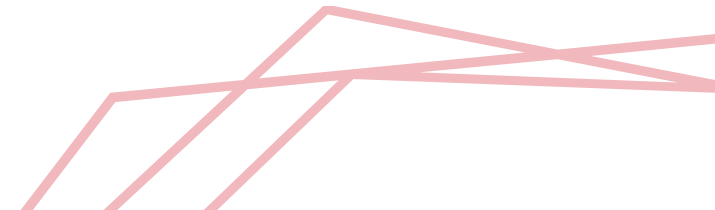
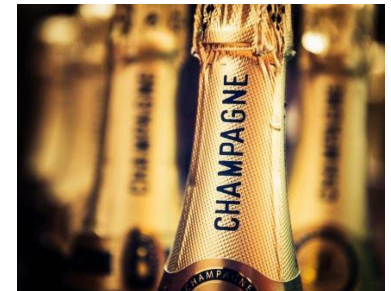
Protects a new invention
(different enough to what
already exists)

<https://www.pof.com.au/full-suite-ip-services/patents/patent-fact-sheet/>

<u>2005244570</u>	Wall racer toy vehicles	Clark, Leonard R.; Greene, H. Peter
<u>2016273419</u>	Fusible toy beads	Moose Creative Management Pty Limited
<u>2017254899</u>	Pastry bag, auxiliary member, decoration forming toy and decoration forming toy set	EPOCH Company, Ltd.
<u>2011307336</u>	Toy projectile launcher apparatus	Hasbro, Inc.



For product that have a specific geographical origin
and possesses qualities or a reputation that are
attributable to that origin



What is Intellectual Property?

Industrial Design

Protects overall appearance of a new and distinctive product

<https://www.pof.com.au/full-suite-ip-services/designs/designs-fact-sheet/>

Copyright

Literary, dramatic, musical or artistic works:
the way in which something original is expressed – not the idea

<https://www.pof.com.au/full-suite-ip-services/copyright/copyright-fact-sheet/>



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Design 201714562

Representations



Statement of newness and distinctiveness

The newness and distinctiveness of the design resides in the shape and configuration of the toy as shown in the accompanying representations.



What is Intellectual Property?



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a way of identifying a unique product or service such as a brand or logo

Trade mark registrations are organised in classes of products

Toys are in class 28 / <https://search.ipaustralia.gov.au/trademarks>

<https://www.pof.com.au/full-suite-ip-services/trade-marks/trade-marks-fact-sheet/>



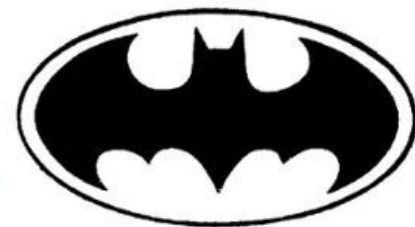
TM

NERF

BLUEY

DAVID JONES

SYDNEY SWANS



What is NOT Intellectual Property?



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Not all badges of origin of a business are protected by IP laws. For example:

- **Domain names:**

The registration of a domain name only allows for a right of use of that name for a specific period and in a particular medium; it does not create IP rights in itself.

- **Business and company names:**

Registering a business or company name does not give you IP rights over that name. Registration also does not give the registrant an exclusive right to use the name and will not prevent somebody who has registered it as a trade mark from using it.



Examples of counterfeit / lookalike products



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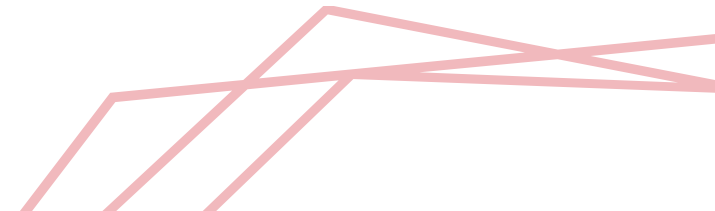
Examples of counterfeit / lookalike products



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Police raid / Court ordered to pay ordered to pay RMB 4.7 million / AU\$960,000
<https://www.lego.com/en-us/aboutus/news/2020/january/lepin-case?locale=en-us>

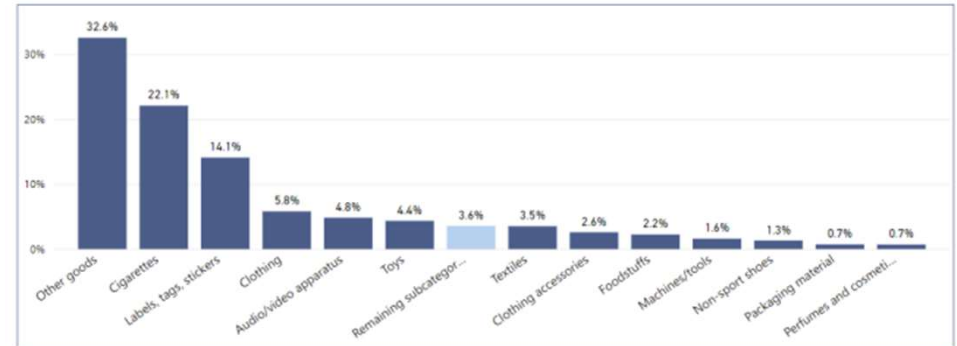


Counterfeiting - Recent trends



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- Wide range of goods seized by Customs worldwide
- Increase in health , safety and environmental concerns: fake pesticide, cosmetics, alcohol, baby strollers or formula, medicines, automotive parts...
<https://euipo.europa.eu/ohimportal/en/web/observatory/report-on-dangerous-fakes>

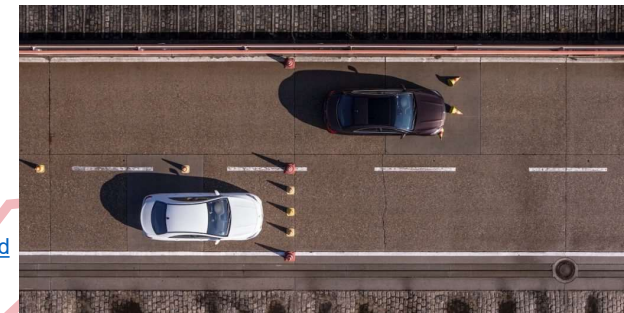


EU Customs: Reported detentions by subcategory of goods (number of items) in 2021
[2022_Joint_TAXUD_EUIPO_document_on_detentions_during_2021_FullR_en.docx \(europa.eu\)](https://euipo.europa.eu/ohimportal/en/web/observatory/report-on-dangerous-fakes)

- Links with organised crime and terrorism
https://www.unifab.com/wp-content/uploads/2016/06/Rapport-A-Terrorisme-2015_GB_22.pdf
- Smaller quantities sent by post or express services / drop shipment
- Targeted operations: Europol LUDUS
https://www.europol.europa.eu/cms/sites/default/files/documents/OP_LUDUS_I_Analysis_Report_1.pdf **5 million counterfeit toys seized**



Fake break pads: longer braking distance
[Counterfeit Car Part Market Flourishes Amid Pandemic - Genuine is best](#)



Working with Australian Border Force

First step: Lodging a Notice of objection



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- Customs will only seize counterfeit goods if a notice is lodged
- Infringers may target brands which have not lodged Notice
<https://www.abf.gov.au/help-and-support/notices/notices-of-objection>
- Trade marks or copyright (not designs or patents)
- Valid for 4 years
- By IP rights owner or authorised user



Australian Government
Australian Customs Service

Trade Marks Act 1995
NOTICE OF OBJECTION

To: The Chief Executive Officer
Australian Customs Service
Customs House
CANBERRA ACT 2601

Attention: Intellectual Property Rights

If this form was completed by a business with fewer than 25 employees, please provide an estimate of the time taken to complete this form.

☐ Hours ☐ Minutes

(Please place an X in appropriate box)

being ☐ the registered owner ☐ an authorised user under the Trade Marks Act 1995

of the registered trade mark(s) described in the schedule overleaf hereby notify you, pursuant to section 132 of that Act, that I object to the importation of goods that are:

(a) goods manufactured outside Australia and having applied to them, or in relation to them, a trade mark that is substantially identical with, or deceptively similar to, one or more of those trade marks listed in the schedule overleaf; and

(b) goods in respect of which the notified trade mark is registered; and request you seize any such goods under subsection 133(2) of the Act.

Signature: _____ The Function of Signature: _____

Period (business days): _____ Date: ____/____/20__

Legal Representative (if applicable): _____ Address: _____ Phone/Fax Number: _____

Consent for release: _____ Address: _____ Phone/Fax Number: _____

The schedule overleaf should be completed and must contain all information requested in the schedule.

This Notice must be accompanied by:

(a) a copy of the registration details of the trade mark; and

(b) if an authorised user is lodging this form, documents that establish:

(i) the authorised user has the authority to lodge a notice of objection; or

(ii) the authorised user asked the registered owner to give the notice, and the registered owner gave no response within the 2 month period.

Notice: if this form is completed by an individual, then the Privacy Act 1988 says we must tell you why we are collecting this information, how we will use it and whether you have to give it to us. We require this information under the Trade Marks Act 1995 to allow us to seize goods which are imported and may contravene s.133 of that Act. If not seized, the Australian Customs Service is not permitted to disclose this information or any supplementary information you give, except when required or authorized by law.

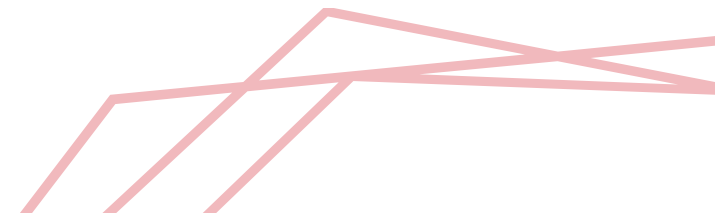
81125 (MAY 2005)

Working with Australian Border Force



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- Seizure Notices sent by email
- Importer and exporter details are included in seizure notice
- Photographs of the items intercepted can be requested + additional ones if needed
- Possible to obtain sample or conduct inspection
- Storage and destructions costs rarely sought after by ABF
- Majority of consignments are forfeited
- Recommend sending letter of demand to importer seeking undertakings and declaration

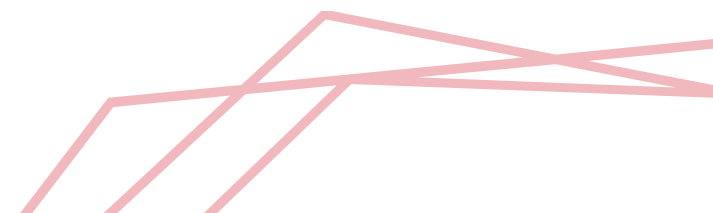


Working with Australian Border Force



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Year	Number of goods seized	Estimated retail value (if genuine)	Number of seizures
1 July 2019 to 30 June 2020	106,000	\$11 million	1,444
1 July 2020 to 30 June 2021	308,643	\$45 million	4,066
1 July 2021 to 30 June 2022	145,267	\$66 million	4,727



Assisting Australian Border Force

- Educating ABF on differences between genuine and counterfeit goods (regular training sessions done online or in-person)
- Provide a brand protection guide
- Advise ABF of authorised importers, shipping routes
- Advise ABF on suspicious shipments, importers or suppliers...

Australian Government Australian Customs Service		Intellectual Property and Commerce Labelling Referral Details
Details Provided By		
Name*		
Company Name		
Address*		
Postal Address		
Telephone Number*		
Fax Number		
Email		
Import Details		
Name		
Company		
Company Name*		
Company ABN		
Address*		
Postal Address		
Telephone Number		
Importation Details		
Type of Goods		
Method of Importation		
Country of Origin		
Port of Arrival		
Estimated date of Arrival		
Supplier Name/Company		

Once completed please return via email to ipcr@customs.gov.au or fax to (02) 6229 3640.
* denotes mandatory field



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On the market: Investigation



- Test purchase with invoices/receipts (ABN...)
- Photograph, label and sign item
- Exhibit register
- Company/business name searches
- Market surveillance program (markets, stores, trade fairs...)



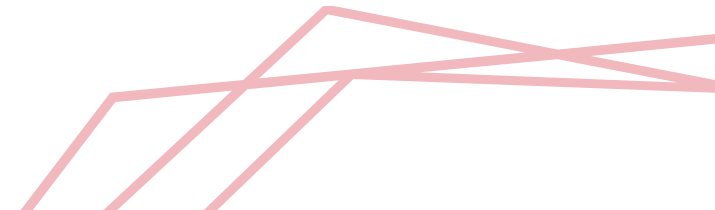
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EXHIBIT REGISTER

ITEM: XXXXX

Date & Time purchased	09 March 2010, 12:30pm
Purchased by	Kristine van Ruiten
Purchased from	Counterfeit specialists Pty Ltd 12 Collins st Melbourne
Storage Details	Locked drawer in office of Kristine van Ruiten
Signature on receiving in	
Date & Time Sent out	15 March 2010, 4:00pm
Sent to	Rod Saunders Phillips Ormonde Fitzpatrick Lawyers 367 Collins st Melbourne
Method of Sending	Hand delivery
Signature on sending out	

Date & Time Received	15 March 2010, 4:00pm
Received By	Rod Saunders
Storage Details	Locked drawer in office of Rod Saunders
Signature on receiving in	
Date & Time Sent out	18 March 2010
Sent to	Client
Method of Sending	Courier / registered post
Signature on sending out	



On the market: Letter of demand



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Letter of demand must explain IP rights infringed and can seek:

- Undertakings:

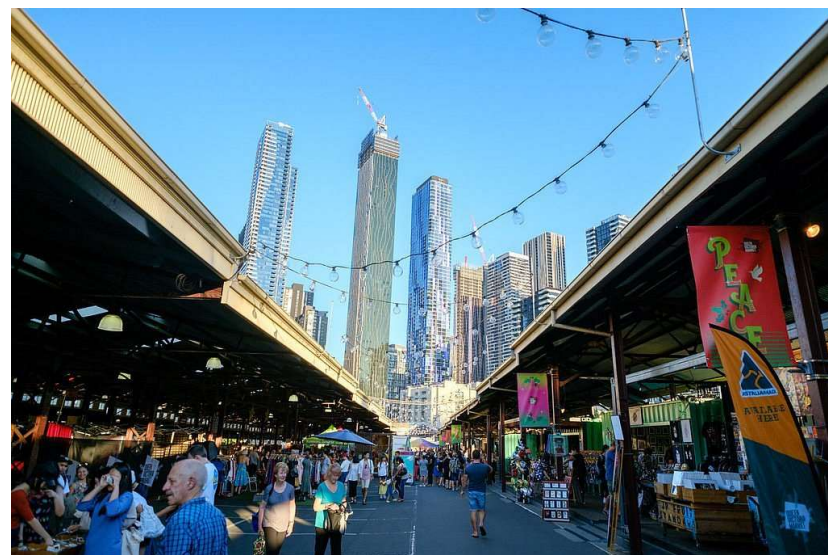
to cease and desist sales/ distribution/ promotion and other infringing use

To deliver up or destroy all infringing goods / recall

- Information about suppliers (in a Statutory declaration)
- Compensation – Damages or Account of profits (Statutory declaration setting out details of volume sold, income received and attaching financial records)



Consider Unjustified threats of trade mark infringement (threats which cannot be substantiated) and misleading and deceptive conduct before sending letter of demand



Online: Identify the issue



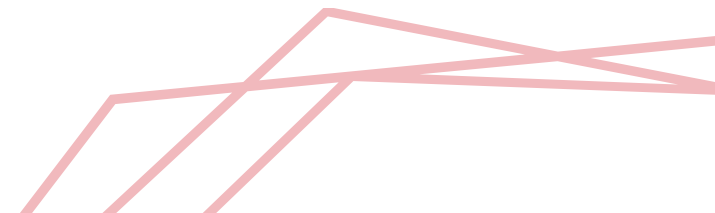
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Identify issues

- Auction sites/ B2C platforms: eBay; taobao.com; Pinduoduo eachnet.com; AliExpress; Bukalapak; Shopee
- B2B platforms: alibaba.com; DHgate; IndiaMART
- Search engines: baidu.com; sohu.com
- Social Media

Conduct investigations and test purchase:

- To see item (it could be different from what is advertised)
- To see who sent it /where it was sent from
- Keep screen-prints
- Label item purchased
- Review website & domain name registrant
- Anonymous Test purchase possible

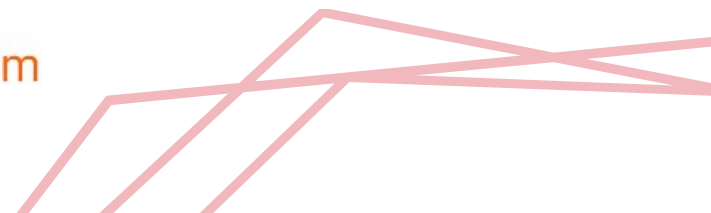


Online: use of takedown procedures



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- > Takedown procedures for various websites (description of the right infringed and letter of authorisation usually required)
- > eBay Verified Rights Owner (VeRO) Program: Notice of Claimed Infringement (NOCI) form, to fill and send to eBay.
- > Online enforcement programs - Automatically enforce against fakes or review detections



At the Source/ Overseas



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At the source

Conduct investigations, organise raid with administrative authorities (China); issue civil proceedings; work with customs

In other countries

POF is the exclusive partner of the leading anti-counterfeiting organisation REACT

Network of offices and partners in 128 countries



01 About POF

About Phillips Ormonde Fitzpatrick



Staff members

 **104** Total staff

25 Partners

36 Trade Mark Attorneys

33 Patent Attorneys

13 PhDs

Attorneys per group

13 Chemistry & Life Sciences

7 Trade Marks

7 Engineering

8 POF Lawyers

12 Electronics Physics & IT

Service locations



Recent awards



Ranked Tier 1 for Patent Prosecution – 2022 IAM Patent 1000

Ranked Tier 1 for Prosecution & Strategy – 2022 WTR 1000

Ranked Tier 1 for both Patent and Trade Mark prosecution – MIP IP Stars 2022

Intellectual Property Law Firm of the Year (Australia) – M&A Today Global Awards 2022

Trans-Tasman IP Firm of the Year – Managing Intellectual Property (MIP) 2021

Rights currently under our management

27,880
Number of Patents

31,309
Number of Trade Marks

4,446
Number of Designs

Rights filed last financial year

3,286
Number of Patents

1,540
Number of Trade Marks

460
Number of Designs

Thank you

Questions?

marine.guillou@pof.com.au

www.pof.com.au



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