I. Analysis of current law and case law

The Groups are invited to answer the following questions under their national laws:

1) Do the laws of your country provide for border measures? If so, what is the legal basis?

   The laws of New Zealand do provide for border protection measures for trade mark and copyright protection under the Trade Marks Act 2002, and the Copyright Act 1994.

2) Do the laws of your country provide for other measures of customs intervention against infringers? If so, which ones and what is the legal basis?

   The laws of New Zealand do not provide for any other measures of customs intervention against infringers.

3) Are border measures and other measures of customs intervention against (collectively referred to as “border measures”) only available for pirated copyright and counterfeit trademark goods or also for goods infringing other IP rights? If so, for which types of IP rights are border measures available? Are border measures in particular available for goods infringing patents, plant variety rights, common law marks, unregistered design rights, or geographic indications?

   See answer for question one.

   Is actual registration of the IP rights required or is an application to register sufficient?

   In relation to trade marks, a registered trade mark is required.

   In relation to copyright, it is necessary to prove that the copyright work is original and that copyright subsists in the work and the applicant for border protection is the owner of copyright.

   Does unfair competition, passing off or the like give rise to border measures?

   Passing off and unfair competition do not give rise to border protection measures. However, Customs has the right to detain goods bearing a label which contains a false or misleading representation, such as to their country of origin, quality and so on.
4) Are border measures available for parallel imported goods?

No, border protection measures are not available for parallel imported goods.

Are border measures available for goods contained in a travellers’ private luggage?

New Zealand Customs has the power to inspect travellers’ private luggage if they have reasonable cause to suspect they are carrying prohibited goods. However, customs notices can not be enforced against goods which are for private and domestic use.

Are there any other goods excluded by your border measures legislation?

5) Who is entitled to file an application for customs action?

A Customs notice can be filed by:
- the owner of a registered trade mark (under the Trade Marks Act 2002);
- or
- the owner of a copyright work (under the Copyright Act 1994 or the Designs Act 1953).

Is there a centralised system for managing multiple applications for customs action through a single contact point?

Yes, the system is managed by the New Zealand Customs Service.

What are the conditions for border measures? In particular, what level of evidence for alleged infringement and other information is required by customs authorities regarding the application for customs action?

The New Zealand Customs Service has the power to inspect all importations for counterfeit or pirated goods. The New Zealand Customs Service inspects approximately 10% of goods. If it identifies goods that it suspects are pirated or counterfeit, it notifies the holder of the trade mark or copyright notice and it is up to the holder to take legal action, otherwise Customs releases the goods.

To which extent are customs authorities willing to receive training by the right holder?

In our experience Customs agents freely contact us to discuss whether goods they have inspected are counterfeit or pirated and freely pass on details about the goods to enable us, as the agents of the rights holder, to confirm with the rights holder whether the goods do in fact breach their intellectual property rights.

Do customs authorities generally require the provision of a security to protect the owner, holder or importer of the allegedly infringing goods? If so, will such security depend on the type of IP rights?

Customs requires that a security (bond), usually NZ$5,000, be deposited with it to cover costs. A security notice addressed to Customs must accompany this payment.
The security accompanies the first trade mark or copyright notice lodged. No additional security is required for further notices of the same type.

This security is paid into an interest bearing trust account and may be drawn on should Customs incur costs as a result of detaining goods on the rights holders behalf. These may include storage, transportation, destruction and legal costs arising from action by the importer. Customs, however, does not charge for its time. The balance is refunded if the Customs notice lapses.

May the customs authorities take ex officio measures? If so, what is the practical relevance of ex officio action in your country? Are customs authorities liable in case of wrongful ex officio detention?

**New Zealand Customs cannot take ex officio measures in relation to possible infringement of intellectual property rights.**

6) Are customs authorities properly equipped to identify goods which infringe patents, plant variety rights, common law marks, unregistered design rights, geographic indications or the like?

**New Zealand laws do not provide border protection for the importation of goods which infringe patents, plant variety rights, common law marks, unregistered designs or geographic indications. Therefore, there is no need for Customs to be equipped in dealing with infringement of these types of intellectual property rights.**

7) Is only the right-holder or also the owner, holder or importer of the allegedly infringing goods notified once the customs authorities detain goods? How can the alleged infringer obtain information about the status of border measures and what information is provided by customs authorities to the alleged infringer?

If the goods appear to be counterfeit, Customs will detain the goods and issue a 'Notice of Determination' to the importer and to the rights holder address for service, ordinarily this will be the rights holder’s patent attorney or lawyer and any other person who appears to have an interest in the goods.

A determination in respect of a trade mark or copyright work is accompanied by a letter from Customs to the importer inviting them to forfeit the goods under the relevant section of the Trade Marks Act or Copyright Act.

In relation to trade marks and copyright, any person who claims to have an interest in the goods which are the subject of a Notice of Determination, may inspect the goods.

8) What happens after notification? Briefly describe the procedure following notification. Is the inspection of the allegedly infringing goods following notification usually carried out by the right holder or by an expert? Does your border measures legislation provide for a simplified procedure allowing the destruction of the goods without there being any need to determine whether IP rights have been infringed? If so, in which cases? Are samples of the goods preserved for evidence purposes?
Customs can only detain the goods for 10 business days from the date the determination issued, after which it must release them to the importer. There are two exceptions to this.

The first exception is where the importer, within the 10 days, agrees to forfeit the goods to the Crown. If forfeited, the goods are usually destroyed.

The second exception is where court proceedings are commenced against the importer within the 10 day period. In that instance, Customs will detain the goods until the proceedings are resolved.

In our experience once the Notice of Determination is issued, the allegedly infringing goods are not inspected by the rights holder or an expert.

If proceedings must be issued to determine whether the goods infringe IP rights, are both civil and criminal proceedings available to determine infringement? What are the advantages and disadvantages of the respective proceedings?

In New Zealand, trade mark and copyright law provide for criminal offences against the importation of counterfeit and pirated goods, as well as civil proceedings to determine infringement.

Trade Mark – Criminal

In relation to trade marks, it is an offence to import into New Zealand for the purpose of trade or manufacture any goods to which that person knows a registered trade mark is falsely applied. Like many criminal offence, the requisite mental element of “knowledge” is required.

The penalties available for a person convicted of the above offence, includes:
- A fine not exceeding $150,000; or
- Imprisonment for a term not exceeding 5 years.

Copyright – Criminal

In relation to copyright, it is an offence to import into New Zealand, otherwise than for personal use and domestic use, an object that is, and that the person knows is, an infringing copy of a copyright work.

The penalties available for a person convicted of the above offence, includes:
- A fine not exceeding $10,000 for every infringing copy to which the offence relates, but not exceeding $150,000 in respect of the same transaction; or
- Imprisonment for a term not exceeding 5 years.

In relation to civil proceedings, the onus is on the rights holder to initiate infringement proceedings. In this sense the rights holder is in control of whether infringement proceedings are commence.

In relation to criminal proceedings, the onus is on the Police, as agents of the Crown, to initiate criminal proceedings. It is hard to get the Police to take interest in these types of cases and consequently not many criminal actions have been taken.
What is the impact of a nullity action seeking to invalidate IP rights on the application for customs action?
May customs authorities release goods suspected of infringing IP rights on provision of a security by the owner, holder or importer of such goods? If so, will such release depend on the type of IP rights?

If the rights owner sues the alleged infringer for importing counterfeit goods, the infringer may counterclaim for invalidity of the IP rights. Customs will not release the goods until the conclusion of any legal action.

9) If goods are found to infringe IP rights, may a right holder oppose
- exportation of infringing goods from your country;
- infringing goods in transit;
- placement of infringing goods in a free trade zone or free trade warehouse?

If goods are found to infringe IP rights, do the judicial or customs authorities of your country generally order the destruction of the goods or do they have the authority to dispose of the goods outside commercial channels (e.g. to charity)?
May the competent authorities also order the infringer to give the names of his accomplices, upstream or downstream in the channels of production and distribution?

It is not clear whether the rights holder may oppose exportation of infringing goods but it is more likely that a rights holder may oppose infringing goods in transit. Customs will readily detain infringing goods even if they are only in transit. There is no such thing as a free trade warehouse in New Zealand. Customs authorities have the power to dispose of the goods, usually they are destroyed. We are not aware of any power which would require the infringer to give names of any accomplices.

10) May judicial or customs authorities order the applicant to pay the owner, holder or importer of goods appropriate compensation for any injury caused by wrongful detention? What is considered appropriate compensation and does it include attorney fees or other expenses?

We are not aware of any such provisions in New Zealand law.

II. Proposals for adoption of uniform rules

The Groups are invited to put forward proposals for adoption of uniform rules regarding border measures and other measures of customs intervention against infringers. More specifically, the Groups are invited to answer the following questions:

1) Do you think that the adoption of uniform rules and best practice of customs authorities in the area of border measures and better coordination between countries and at an international level are desirable to improve enforcement?

No comment

2) What should the scope of border measures be? Do you think that border measures should be available also for goods infringing IP rights for which your national law currently does not provide border measures? If so, which IP rights? Should unfair
competition give rise to border measures? Which goods should be excluded by border measures legislation?

No comment

3) What rules should apply in relation to the lodging and processing of applications for customs action? Should there be a centralised system for managing multiple applications for customs action through a single contact point? Should there be uniform rules on the provision of information by the applicant? What should the required level of evidence for alleged infringement be? Should there be uniform rules on the provision of information by the customs authorities?

No comment

4) What rules should apply in relation to the procedure following notification? Should there be a simplified procedure allowing the destruction of the goods without there being any need to determine whether IP rights have been infringed? Should there be uniform rules on the examination of the goods by the right holder, security and compensation in the case of wrongful detention of goods and disposal of infringing goods?

No comment

National Groups are invited to comment on any additional issue concerning border measures and other measures of customs intervention which they find relevant.

It will be helpful and appreciated if Groups follow the order of the questions in their Reports and use the questions and numbers for each answer.

Summary: Question 208

The laws of New Zealand do provide for border protection measures for trade mark and copyright protection under the Trade Marks Act 2002, and the Copyright Act 1994.

In order to enforce border protection measures in relation to trade marks and copyright, it is necessary to obtain a Customs Notice. In relation to trade marks, a registered trade mark is required. In relation to copyright, it is necessary to prove that the copyright work is original and that copyright subsists in the work and the applicant for border protection is the owner of copyright.

In New Zealand, trade mark and copyright law provide for criminal offences against the importation of counterfeit and pirated goods, as well as civil proceedings to determine infringement.