

# Anti-Counterfeiting

p1

Anti-Counterfeiting

p2

Anti-Counterfeiting

p2

Intellectual Property Rights Protection

p3

Middletons' Anti-Counterfeiting Program    Anti-Counterfeiting Program

p4

About Middletons    Further Information

“He flits from shop to shop just like a butterfly...  
Eagerly pursuing all the latest fads and trends, 'cause  
he's a dedicated follower of fashion.”

*Ray Davies, The Kinks*

## Anti-Counterfeiting

Not all dedicated followers of fashion are as fickle as they could be about matters of the genuine article.

Counterfeit products in the marketplace, once a small annoyance and seen by some brand owners as flattery, are now seriously impacting on the sales of genuine products. Today the quality of the counterfeits are so good that it is often hard even for the brand owners to pick the fakes. Counterfeits are not just sold by backyard operators, they are sold by apparently legitimate retailers and of course they are all over the internet! It is no longer the case that consumers know they are buying a fake.

Almost every kind of product is prone to counterfeiting: clothing, perfumes, sporting goods, sunglasses, watches, cigarettes, computer games, CDs, DVDs – even pharmaceuticals. In fact an estimated 5% to 8% of all goods and services sold world-wide today are counterfeit.

Middletons' Anti-Counterfeiting Program aims at attacking the supply of counterfeit goods at the border and then seeks to deter traders buying or importing counterfeit goods. The program operates on 3 levels – a Customs program to ensure that product is seized at the border, a market watch program conducted by investigators, and legal support to enforce rights and pursue financial recoveries.

We train and liaise with Australian Customs officers to ensure that counterfeit goods are seized and not released to the importers. Training of Customs staff to determine genuine product from counterfeit product is an important part of the program to ensure that Customs staff know how to spot a fake.

The market watch program is conducted by investigators at all major markets around Australia and other retailers to identify traders selling fake goods and to gain information to catch the bigger fish.

Importers and traders selling counterfeit goods, whether at markets, wholesale or retail level, are sent demand letters, undertakings are obtained and counterfeit stock is seized and destroyed. In most cases financial settlements are entered into with the infringers and the aim of the program is for the infringers to pay for the cost of the program. Search and seizure orders are also used where appropriate on larger shipments to obtain information used to catch other offenders and to recover damages and more counterfeit product.

In addition to specific anti-counterfeiting measures, Middletons has developed ways to protect against look alike or copy products. We know there is more to protect than just your brand. The success and distinctive look of your products is the result of much research, trial and error and advertising expenditure. We appreciate how logos and shapes or colours of products become unique attributes of your brand and we can provide advice about how to best protect these features through trade mark registrations. Signature products can also be protected as trade marks.

The appearance of your goods themselves are often where the value in the product lies, and where this appearance is unique, design protection is possible. By training your staff to prepare and file design registration applications, we ensure your costs are kept at a minimum.

Committed to protecting your rights, Middletons' legal team is always commercially focused and attuned to the practical issues in your industry. We're equally dedicated to tailoring effective anti-counterfeiting programs that suit the needs of each individual client, not ours.

## Intellectual Property Rights Protection

### Design protection

For the appearance of products, staff training for design applications

### Brand ownership

Advice on parallel importation issues and protection against copy or look alike products

### Trade mark protection

For brand names, logos, distinctive product shapes, colours, packaging or stitching patterns

### Copyright protection

For two-dimensional graphic works

## Middletons' Anti-Counterfeiting Program

Diesel's Australian distributors became aware of a vast amount of counterfeit products being sold both through retail stores and various markets around Australia. Middletons partner Tony Watson and senior associate Lisa Egan worked on effective strategies to eradicate the counterfeit goods from the Australian marketplace.

Originating from Italy, the popular 'Diesel' brand attracted the attention of counterfeiters hoping to profit from its enormous worldwide popularity.

During a 12 month period, Middletons acted in concert with Diesel and its investigators to design and implement an effective anti-counterfeiting program to protect this brand before it was too late.

In a well planned and executed campaign, Middletons targeted a number of major suppliers of counterfeit Diesel goods, identified from seizures stopped by Customs, and information gained through the market watch program. In all, more than 100 counterfeiters (both wholesalers and retailers) were identified. In conjunction with Diesel representatives, Middletons also conducted training sessions with Customs staff to help them identify counterfeit products.

Court proceedings were issued against approximately 20 importers/wholesalers/suppliers of the counterfeit stock. 'Search and seizure' orders were also obtained from the Courts allowing Diesel and Middletons representatives to enter and search specific premises seizing large volumes of counterfeit stock and records that helped identify other traders in the stock, resulting in recovery of more stock and monetary compensation.

Investigators conducted reviews at ground level through major markets around Australia in pursuit of traders dealing in counterfeit

goods. As reviews were completed, Middletons served letters on traders found to be selling counterfeit stock and liaised directly with market management in relation to their activities.

Stopping the supply of the counterfeit product by targeting the importers and wholesalers was important, but so too were the financial penalties and loss of stock by the retailers and market stall operators in deterring them from purchasing the counterfeit products again. The sellers of counterfeit products signed undertakings that they would not deal in such stock again and agreed to pay Diesel's legal costs and an amount in damages.

Our client focus is all about building relationships of substance – not stylish revenue streams – to provide experience and industry knowledge and effective commercial solutions that deliver on the expected outcome and within the budget. At Middletons that is our aim and this is the true test of value in our legal services.

*"The program has been very successful with Australian Customs initially stopping approximately 5 importations per week. Not only has the amount of imported counterfeit stock been significantly reduced, Customs staff even stopped an individual arriving in Australia wearing a counterfeit belt!"*

**Lisa Egan**

## Anti-Counterfeiting Program

### Australian Customs

liaison to ensure seizure of counterfeit goods at the border, training Customs staff to determine genuine product from counterfeit product

### Investigators

Investigators monitor retailers and markets to identify and take action against retailers selling counterfeit goods

### Issuing proceedings

Issuing proceedings and demand letters against any traders selling counterfeit goods, whether at a wholesale or retail level

### 'Search and seizure' orders

'Search and seizure' orders to search premises and seize counterfeit stock and to obtain valuable information leading to other traders

## About Middletons

Middletons is a leading Australian law firm with offices in Melbourne and Sydney with around 60 partners, a further 190 lawyers and a total staff of more than 450.

We have extensive experience in acting for major corporates and industry leaders, and working on ground breaking transactions. Clients have chosen our firm because of our comprehensive skills, industry knowledge and approach to service.

Clients seek firms with industry knowledge and depth of experience to match. As a single service supplier of legal expertise, we offer our clients a broad range of legal services, including:

- anti-counterfeiting
- commercial & corporate advisory
- commercial litigation
- commercial property
- competition & regulatory
- corporate recovery
- dispute resolution
- franchising
- industrial relations
- intellectual property
- patents, trade marks & designs
- planning & environment
- taxation & revenue
- technology commercialisation & biotech
- workplace relations.

Middletons has expertise and knowledge in specific industries and markets we see as integral to the Australian and world economies to ensure we understand our clients' businesses. Markets such as:

- banking, finance & insurance
- capital markets & M&A
- energy & resources
- manufacturing & retail
- projects & infrastructure
- property, construction & development
- sport, media & entertainment
- technology, telecommunications & innovations
- transport, trade & logistics.

Middletons breaks the mould when it comes to big law firms. Our lawyers talk our clients' language but challenge their thinking. Our approach is different to others – we offer advice and services built on intellect, inspiration, influence, involvement, integrity and individuality.

Middletons is large enough to provide detailed business advice, yet small enough to ensure cost effectiveness and guaranteed partner access.

## Further Information



**Tony Watson**

Partner

telephone	+61 3 9640 4331
facsimile	+61 3 9205 2055
email	tony.watson@middletons.com