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By email: legcon.sen@aph.gov.au

Committee Secretary
Senate Legal and Constitutional Affairs Committee
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Committee Secretary

Inquiry into the Customs Legislation Amendment (False Trade Marks Infringement Notices) Bill 2026

1 Introduction

- 1.1 Gilbert + Tobin welcomes the opportunity to make a submission to the Committee in relation to the *Customs Legislation Amendment (False Trade Marks Infringement Notices) Bill 2026 (the Bill)*.
- 1.2 Gilbert + Tobin is a market leader in intellectual property law in Australia, with one of the largest specialist IP teams in the Australian market and a practice recognised for its depth across trade mark disputes, brand protection and enforcement, copyright litigation, and IP commercialisation. The firm has particular strength in acting for clients in brand-driven industries, including consumer goods, luxury goods, pharmaceuticals, and technology. Gilbert + Tobin's brand protection practice encompasses both contentious enforcement and strategic portfolio management, and the firm regularly acts for Australian and international brand owners in coordinating cross-border enforcement strategies, including parallel litigation and border enforcement measures across multiple jurisdictions. This submission is informed directly by that practical experience. Gilbert + Tobin act for rights holders who utilise the Notice of Objection scheme under the *Trade Marks Act 1995 (Cth)* and the *Copyright Act 1968 (Cth)*, and who engage with the Australian Border Force in connection with the detection and seizure of counterfeit goods at the Australian border. It is from that practical vantage point that Gilbert + Tobin makes this submission in support of the Bill, and raises the questions and recommendations set out below.
- 1.3 We support the Bill in principle as a meaningful step toward addressing a structural enforcement gap that our clients encounter regularly in practice. However, we submit that a number of operational and drafting matters require clarification or amendment before the Bill commences, and we respectfully ask the Committee to consider the questions and recommendations set out below.

2 Gilbert + Tobin's support for the Bill

- 2.1 The counterfeit goods market causes serious and ongoing harm to Australian brand owners, consumers, and the broader economy. Our firm's experience in advising brand owners in relation to counterfeits and lookalikes in the Australian market, including conducting IP

infringement proceedings in relation to counterfeits, confirms the scale of the problem described in the Bill's Explanatory Memorandum. The estimated value of counterfeit and pirated goods in Australia reached A\$4,979.7 million in 2023–24, and the Australian Border Force (ABF) seized over 700,000 individual counterfeit items worth more than A\$35 million at the border in 2024–25. These figures, significant as they are, almost certainly understate the true volume of infringing imports. Our clients' experience is that increasingly, a large number of counterfeit shipments (particularly those involving smaller commercial quantities) are never detected at the border. This includes Australian-made products where the brand owner has participated in briefings with the ABF to advise that any imported products bearing their trade marks are almost certainly counterfeits. Mislabelling of products in customs documentation (e.g. describing cosmetics as "coloured pencils") and the posting of small quantities of products are rife.

- 2.2 The existing Notice of Objection scheme under Part 13 of the *Trade Marks Act 1995* provides a valuable first-line mechanism, but it has a fundamental structural deficiency that the Bill is designed to address: where an importer forfeits or abandons seized goods, the Commonwealth has no mechanism to impose any financial consequence on the importer. The loss of the goods is the only deterrent. Our clients regularly encounter importers who treat some forfeiture as an acceptable cost of doing business. This is particularly so where the goods are low-cost to manufacture and the profit margin on consignments that clear the border is high. The Bill's introduction of a strict liability offence for the importation of goods bearing false trade marks, and its prescription within the Customs Infringement Notice Scheme, directly addresses this gap. Gilbert + Tobin supports that policy objective.
- 2.3 The Bill appropriately frames the infringement notice mechanism as complementary to, rather than a replacement for, the existing Notice of Objection scheme and civil enforcement options available to rights holders. This is the correct approach. The Notice of Objection scheme remains an important tool, particularly in relation to the rights holder's ability to seize and forfeit infringing goods, and the financial deterrent introduced by the Bill adds a meaningful enforcement layer that currently does not exist.

3 Questions and concerns requiring clarification

- 3.1 While we support the Bill, our practice experience identifies a number of matters that require clarification either through amendment to the Bill or published operational guidance. We address each below.

Operational Guidance and the exercise of discretion

- 3.2 The Explanatory Memorandum states that the ABF "will take a graduated and flexible approach" in relation to the issuance of infringement notices. Gilbert + Tobin considers that published operational guidelines would be of benefit to both brand owners and importers. Such guidelines could address matters including:
 - (i) the circumstances in which the ABF will and will not issue an infringement notice (for example, whether the volume or value of the goods, the nature of the goods, the existence of prior offending, or the degree of consumer harm will be taken into account);
 - (ii) the process by which the ABF will engage with brand owners prior to issuing an infringement notice, including any verification steps;

- (iii) the timing of issuing infringement notices. In this regard there is a strong argument that an infringement notice should be issued at the time the seizure notice is issued, to avoid incentivising importers to make a claim for release of the goods, which would oblige brand owners to incur the significant costs of enforcement litigation if they wish to prevent the goods being released onto the Australian market (as the Explanatory Memorandum notes, this is not always possible, especially for SMEs); and
- (iv) whether the ABF will maintain and publish data on the number and nature of infringement notices issued.

Notification to Brand Owners

- 3.3 Under the existing Notice of Objection scheme, the rights holder is notified of seizures and is the primary driver of enforcement decisions. Under the new strict liability offence, the Commonwealth is the prosecuting and penalty-issuing party. The Bill does not address whether rights holders will be notified when an infringement notice is issued, or whether they will have any input into the decision to issue or withhold a notice.
- 3.4 In our view, brand owners should be notified when an infringement notice is issued in respect of goods bearing their trade marks, including because:
- (i) brand owners may have relevant intelligence about the importer's history, the scale of their operation, or the likely source of the counterfeit goods which could inform ABF's discretion to issue or withhold a notice;
 - (ii) brand owners have a legitimate interest in knowing the enforcement outcomes in relation to goods that infringe their intellectual property;
 - (iii) brand owners have a legitimate interest in understanding the nature and extent of global supply chains for goods that infringe their intellectual property to help inform their broader enforcement strategies in other jurisdictions; and
 - (iv) notification would allow brand owners to maintain accurate records of infringement activity relating to their marks, including identifying patterns of repeat offending and assist brand owners in making informed decisions about whether to pursue civil proceedings in appropriate cases. In our experience this information is likely to be of critical importance to brand owners facing significant counterfeiting issues in Australia, including as part of their investigations in connection with any broader enforcement litigation. It will also allow brand owners to allocate their enforcement budgets most effectively.



- 3.5 In our experience of the Notice of Objection procedure, the ABF is able to quickly and efficiently contact brand owners to verify that shipments are counterfeit by contacting the nominated enforcement contact via email. A similar process could be adopted here.
- 3.6 Gilbert + Tobin recommends that the Committee consider whether notification should be required, either through an amendment to the Bill or through operational guidance issued by the ABF.

4 Conclusion

- 4.1 Gilbert + Tobin supports the Bill as a necessary and long-overdue reform to the enforcement framework for counterfeit goods at the Australian border, noting that a similar infringement notice process is already in place under the *Copyright Act 1968* (Cth). The structural gap in the existing regime (whereby importers who abandon seized goods face no financial consequence) undermines the deterrence value of the Notice of Objection scheme and places an unsustainable burden on rights holders, particularly SMEs, who frequently lack the resources to pursue civil litigation against all infringers.
- 4.2 Gilbert + Tobin would welcome the opportunity to elaborate on any of the matters raised in this submission or to provide additional submissions based on any matters that would be of assistance to the Committee.

Yours faithfully
Gilbert + Tobin



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Special Counsel



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