

Commonwealth Games Arrangements (Brand Protection) Amendment Bill 2013

Explanatory Notes

Short title

The short title of the Bill is the Commonwealth Games Arrangements (Brand Protection) Amendment Bill 2013.

Policy objectives and the reasons for them

The Bill is one of several tools which will have the overall effect of allowing as much community ownership and celebration of the Gold Coast 2018 Commonwealth Games (the Games) as possible, while not allowing the use of images or references to an extent that would dilute the value of the brand to sponsors and therefore compromise sponsorship revenue.

The objective of the Bill is to prohibit the unauthorised use of certain images and references for commercial or promotional purposes, and prohibit conduct falsely inferring an association with the Games. The other main tools will be (1) an administrative regime of authorisations for not-for-profit community purposes, and (2) a standard practice of resolving breaches informally if possible and appropriate, with proceedings usually a last resort.

Existing law, including the common law concept of ‘passing off’ and statutory devices such as copyright, trade marks, and misleading and deceptive conduct, is generally sufficient for brand protection in Australia. Major sporting events, however, tend to attract larger numbers of people and businesses taking advantage of the publicity and goodwill surrounding the event, without seeking the appropriate permissions.

During the bidding period, for example, before the Gold Coast was even awarded the Games, over 20 internet domain names were acquired by private operators and sites set up for commercial gain which imply official links to the Games. Further sites have emerged since.

The sheer number of cases of misuse of intellectual property makes usual enforcement methods costly and impracticable.

Further, in the lead up to and during the Games, enforcement will need to be immediate in order to avoid substantial damage. Remedies that are fair but more speedy than those available under existing law are needed.

These circumstances have resulted in it becoming the norm for host jurisdictions to enact special legislation for events such as Commonwealth and Olympic Games and world cups of major sports. For example, brand protection legislation was passed for the Sydney 2000 Olympic Games, the Melbourne 2006 Commonwealth Games, the London 2012 Olympic Games and the Glasgow 2014 Commonwealth Games.

Achievement of policy objectives

The Bill will achieve its objective by:

- providing criminal penalties and civil remedies for:
 - the unauthorised use of certain references and images for commercial or promotional purposes, and
 - conduct falsely inferring an association with the Games; and
- providing for the seizure by police of goods or advertising material using a protected reference or image in the critical period leading up to and including the Games, in and around Games venues and other key locations.

It is hoped that these measures will achieve the policy objectives without having to be used; that they will be a deterrent sufficient to ensure that there is minimal misuse of Games-related intellectual property (IP), and what use there is ceases on the first informal approach from a Games official.

Alternative ways of achieving policy objectives

There are no alternative ways of achieving the policy objectives. Only legislation can provide remedies that are significant enough and speedy enough to act as a deterrent, while also providing appropriate safeguards. As noted above, one of the other main tools in the overall approach to the policy issue will be a standard practice of resolving breaches informally if possible and appropriate, with proceedings usually a last resort. An exception might be if a breach is particularly flagrant, or significant in commercial sophistication or monetary terms.

Estimated cost for government implementation

There will be no appreciable cost to Government that has not already been budgeted. It has been known since the bid for the Games that brand protection legislation would be necessary, and the budget for the Gold Coast 2018 Commonwealth Games Corporation includes funding for monitoring and enforcement. Resource implications for the Queensland Police Service are expected to be negligible, with only a small number of prosecutions, if any, and any seized goods being delivered promptly to the Office of Commonwealth Games Coordination.

Consistency with fundamental legislative principles

The Bill strengthens existing frameworks for the protection of intellectual property for this particular event. It does not prohibit anything for which an owner of intellectual property cannot already seek a remedy, such as for passing off or breach of trade mark. It merely provides certainty in the Commonwealth Games context and a streamlined process for enforcement, appropriate for an event such as the Commonwealth Games.

On this basis, for the most part, the Bill is consistent with fundamental legislative principles.

The exceptions to this are the creation of offences to coexist with the civil remedies, and the power for police to seize goods or advertising material displaying unauthorised Games-

related images. These are additional to the responses to breaches of intellectual property rights generally, and therefore could be construed as an abrogation of common law rights.

The offences also necessitate consideration of the principle that legislation should not subject a person to more than one court or tribunal process arising out of a single act or omission without sufficient justification.

There are a number of existing examples of a single act or omission exposing a person to more than one legal process. A defamatory statement can lead to civil action under the *Defamation Act 2005* and criminal proceedings under the Criminal Code; an assault or damage to property can also lead to civil action for damages as well as a criminal prosecution.

Without the Bill, civil remedies for the unauthorised use of Games-related intellectual property would be available under existing laws (albeit more costly and less speedy to enforce). The Bill introduces the exposure to criminal prosecution. This is justified by the significance of the Games, the public expectation that dishonest exploitation of Games goodwill will be monitored and stopped, and the risk such exploitation poses to the significant taxpayer investment in the Games.

The provisions are to expire on 31 December 2018. This ensures that acts done when the above-mentioned justifications no longer carry significant weight will not attract the dual exposure.

Police already have a broad power under the *Police Powers and Responsibilities Act 2000* to seize evidence of an offence. The Bill provides a power to seize to protect Games-related intellectual property, even if criminal proceedings are not intended. This is also justified by the significance of the Games, the public expectation that dishonest exploitation of Games goodwill will be monitored and stopped, and the risk such exploitation poses to the significant taxpayer investment in the Games; and also by the need to act immediately in the event of a breach.

The power to seize applies only during the critical period of several months before and during the Games, and only in or near Games venues or other significant sites. The Bill also provides important checks and balances, such as provision for the return of the property and compensation where proceedings are not instituted, or where proceedings do not result in a finding of guilt or an order.

It is hoped that most or all breaches will be able to be resolved informally, without the need for civil action or prosecution. The Bill therefore also provides that where goods are voluntarily surrendered, rather than seized, the same checks and balances apply.

Consultation

The Gold Coast 2018 Commonwealth Games Corporation (the Corporation), the Australian Commonwealth Games Association and the Commonwealth Games Federation were consulted.

Consistency with legislation of other jurisdictions

The Bill is broadly consistent with Victorian legislation enacted for the Melbourne 2006 Commonwealth Games. Legislation enacted in the UK for the London 2012 Olympic Games and the Glasgow 2014 Commonwealth Games was also given consideration.

The Bill is also not inconsistent with the *Expo '88 (Protection of Symbols and Expressions) Regulations 1988*, which appears to have been used as a precedent for elements of the Melbourne legislation, including criminal sanctions for breaches, and police seizure powers.

Notes on provisions

Part 1

Clause 1 states that, when enacted, the Bill will be cited as the *Commonwealth Games Arrangements (Brand Protection) Amendment Act 2013*.

Part 2

Clause 2 states that part 2 amends the *Commonwealth Games Arrangements Act 2011* (the principal Act).

Clause 3 amends the long title of the principal Act by adding a reference to regulating the use of references and images associated with the Gold Coast 2018 Commonwealth Games.

Clause 4 changes the existing part 1 in the principal Act to chapter 1.

Clause 5 replaces the existing purpose of the principal Act with a new statement of purposes that includes the original purpose, and adds that the Act is to protect the integrity of images or expressions, and sponsorship arrangements, associated with the Commonwealth Games by—

- (i) prohibiting the unauthorised use of protected images and protected references;
- (ii) prohibiting conduct falsely inferring a person's association with the Commonwealth Games; and
- (iii) conferring rights of redress on entities associated with the Commonwealth Games who are affected by a contravention of a prohibition mentioned in (i) or (ii).

Clause 6 amends the reference to the definitions schedule as a result of additional schedules being added to the principal Act.

Clauses 7 to 11 renumber and amend the principal Act to restructure existing parts into chapters.

Clause 12 inserts a new chapter 3 'Use of protected images and references' into the principal Act.

New section 48 states that the new chapter applies both within and outside Queensland, to the full extent of the extraterritorial legislative power of the Parliament.

New section 49 defines the term 'prohibited purpose'. The use of an image or expression is for a prohibited purpose if the use—

- (a) is for a commercial purpose (meaning a purpose in relation to which the generation of profit is more than an incidental outcome – see new entry in dictionary under clause 15);
or
- (b) is for an advertising, marketing or promotional purpose, whether or not for commercial gain; or
- (c) would cause a reasonable person to believe that a particular person has a sponsorship arrangement with or relating to—
 - (i) a Games related entity; or
 - (ii) the Commonwealth Games; or

- (iii) an event or program associated with the Commonwealth Games whether or not the event or program relates to sport.

The new section also states that the use of an image or expression is not for a prohibited purpose if—

- (a) the use is for the primary purpose of—
- (i) genuine reporting of news of, or associated with, the Commonwealth Games; or
 - (ii) genuine criticism or review of, or associated with, the Commonwealth Games; or
 - (iii) genuine research, study or education; or
 - (iv) seeking or giving genuine professional advice; or
 - (v) a judicial proceeding or a report of a judicial proceeding; and
- (b) the use is reasonable having regard to—
- (iv) the primary purpose mentioned in paragraph (a); and
 - (v) the need to protect the rights of persons who are authorised to use the image or expression by an authority under section 56.

The use of an appropriately sized reproduction of the Games emblem as part of the header of a page of a newspaper containing Games news would therefore not be prohibited. However, unauthorised use in the branding of a special ‘Commonwealth Games Supplement’, marketed as such to potential advertisers, would be prohibited.

New section 50 defines the term ‘deceptively similar’ to maximise consistency with the *Trade Marks Act 1995* (Cwlth).

New section 51 establishes the first of two offences: the unauthorised use of protected images and references for prohibited purposes. The use of an image that is substantially identical with, or deceptively similar to, a protected image is also captured, as is an image or expression that is substantially identical with, or deceptively similar to, a protected reference.

The Corporation, the Australian Commonwealth Games Association and the Commonwealth Games Federation are exempt.

New section 52 establishes the second offence: conduct falsely suggesting a ‘sponsorship arrangement’ (definition inserted into the schedule by clause 15) or conduct falsely suggesting an affiliation with the Games, a Games-related entity, or an event or program associated with the Games.

The maximum penalty for both offences is 100 penalty units. The effect of section 181B of the *Penalties and Sentences Act 1992* is that the maximum penalty for a body corporate will be 500 penalty units.

New section 53 defines certain references – those that do not, on their face, refer to the Gold Coast 2018 Commonwealth Games – as ‘generic Games references’, and provides that sections 51 and 52 do not apply where the use of a generic Games reference:

- does not refer to the Commonwealth Games or an event or program associated with the Games, and
- is not intended to do so.

This allows the use of generic references in connection with other events; for example, 'Coast Games' could be used for promotional purposes in connection with a Masters Games or a University Games.

New section 54 states that the offences do not apply to the use of business or company names registered under certain Commonwealth acts.

New section 55 states that the offences do not apply to the use of protected images or references by a person who:

- (a) immediately before commencement, would have been entitled, through an action for passing off, to prevent another person from using the image, reference or thing to pass off goods, services or a business as goods, services or a business of the existing user; and
- (b) the use of the image, reference or thing is substantially consistent with the purpose for which it was used prior to the commencement.

This safeguard provision means, for example, that a person who has built up a reputation trading under particular branding can continue to trade in the same way using that branding. However, the person is prevented, as is anyone else, from establishing new commercial or promotional uses of the protected image or reference without authorisation.

New section 56 provides for authorities for the use of various references and images. The Corporation, the Australian Commonwealth Games Association and the Commonwealth Games Federation can each authorise the use of their own images and references, and the Minister can authorise the use of Games references only, for non-commercial purposes.

It is intended that the Corporation will publish on its website information about the use of protected images and references. This will include information about what is generally authorised (without the need for specific authorisation) for not-for-profit community purposes to facilitate community ownership and celebration of the Games through events such as morning teas, fun days and the like.

Authorities must include certain information and may include reasonable conditions.

New section 57 ensures transparency by providing for a register of authorities.

New section 58 defines terms used within part 4.

New section 59 states that the powers in part 4 are in addition to, and do not limit, the powers of the court under the *Penalties and Sentences Act 1992* or any other law.

New section 60 provides that an authorised applicant (defined in new section 58) may apply to the Supreme Court for an injunction restraining an offending party from engaging in conduct or continuing to engage in conduct that is an offence under section 51 or 52. An authorised applicant may also make an application to the Court where an offending party is counselling, procuring, attempting or conspiring to commit an offence mentioned in section 51 or 52.

Subsection (3) states that the Court may grant an interim injunction restraining the offending party from conducting or continuing to conduct the activity until the Court makes a decision regarding the application.

Subsection (4) states that after considering the application the Court, on the balance of probabilities, may either grant the injunction or refuse the injunction.

Subsection (5) states that an injunction may be granted without notice to the offending party, if there is adequate reason for doing so.

Subsection (6) states that that an injunction may be granted:

- (a) if the Court is satisfied that the offending party has engaged in the conduct, regardless of whether the offending party intends to engage in the offending conduct again; or
- (b) if it appears to the Court that if an injunction is not granted then it is likely the offending party will engage or continue to engage in the conduct, regardless of whether they have previously engaged in the conduct and regardless of whether there is imminent danger of substantial damage to a person if the offending party engages in the conduct.

New section 61 states that, on the application of an authorised applicant (defined in new section 58), if a court is reasonably satisfied that an offending party has contravened section 51 or 52 or counselled or procured a contravention, then either or both the following orders can be made –

- (a) that the offending party disclose information relating to the contravention, whether in their possession or to which they have access, to the public or person stated in the order in the way stated in the order;
- (b) that the offending party, at its own expense, publish an advertisement in the terms, way and times stated in the order.

If the order is sought in conjunction with, and in the course of, another proceeding under the new chapter 3, the court hearing the other proceeding will hear and determine the application under this provision. If not, the Magistrates Court will hear and determine the application.

The standard of proof for deciding an application under this section will be the civil standard.

New section 62 states where an aggrieved party suffers loss or damage due to a contravention of section 51 or 52, the aggrieved party may, by claim in a court of competent jurisdiction (the Magistrates, District or Supreme Court, depending on the quantum of the claim), start proceedings against the offending party to recover the amount of the loss or damage. If the court is reasonably satisfied that the offending party has engaged in conduct that contravenes section 51 or 52 that causes loss or damage then the court may grant the relief sought.

The proceedings must be started within six years of the cause of action arising, or by the dissolution day (see section 46 of the principal Act), whichever is the earlier. For causes of action arising around Games time, this is an unusually short limitation period. However, it is appropriate as the Corporation is expected to complete all its work by dissolution day and the Corporation is primarily responsible for brand protection. Further, the Bill does not limit any existing rights (see new section 77). The only rights this limitation period applies to are the special rights created in the Bill to address the unique circumstances of the Commonwealth Games. An aggrieved party will still be able to make a claim under existing law within the usual timeframes.

The standard of proof for deciding a claim under this section will be the civil standard.

New section 63 states that if an offending party contravenes section 51 or 52 or counsels or procures a contravention, then an aggrieved party may, by claim, seek relief by way of an account of profits in a court of competent jurisdiction (the Magistrates, District or Supreme Court, depending on the quantum of the claim). If the court is reasonably satisfied of the contravention, it may grant the relief sought.

The proceedings must be started within six years of the cause of action arising, or by the dissolution day (see section 46 of the principal Act), whichever is the earlier. See the discussion about this under new section 62, above.

The standard of proof for deciding a claim under this section will be the civil standard.

New section 64 states that a court may make more than one order under the new part 4. However, an aggrieved party is not entitled to, and a court will not order, both damages under section 62 and an account of profits under section 63 in relation to the same contravention of section 51 or section 52.

New section 65 defines terms used within part 5.

New section 66 states that from 1 January 2018 to 30 April 2018 a police officer may seize goods, advertising material or a device if:

- (a) the officer finds the goods, advertising material or device in, or in the immediate vicinity of, a relevant place (see below);
- (b) the goods are marked with (defined in new section 65), or the material or device contains:
 - (i) a protected image or protected reference; or
 - (ii) an image or expression that is substantially identical with, or deceptively similar to, a protected reference; or
 - (iii) an image that is substantially identical with, or deceptively similar to, a protected image; and
- (c) the police officer reasonably believes that the image or expression is being used, or is intended to be used, to contravene section 51 or 52.

A regulation may prescribe any of the following as a 'relevant place':

- (a) a venue or place associated with the Games, or with an event or program associated with the Games (including a non-sporting event or program);
- (b) a public place used by the public to travel to or from the Games;
- (c) a public place where the Games will be shown on a screen;
- (d) a public place where there will be a media presence is expected in connection with the Games; or
- (e) a public place where the public will gather for a Games-related purpose, such as where athletes will make public appearances.

This allows places like public transport hubs, 'live sites' (where large television screens are erected in public places), and likely media interview locations to be prescribed in a regulation.

For (b) to (e) above, the regulation must state the part of the seizure period – for example, by nominating dates – when the public place will be a 'relevant place'.

New section 67 states that if a police officer seizes goods, advertising material or a device under section 66, the officer must, as soon as reasonably practicable, provide a receipt for the item to the person from whom the goods or material was seized – or if the person is not present, leave a receipt in a conspicuous position in a reasonably secure way.

The receipt may be for all items seized and must describe the seized item and its condition.

This section does not apply if the police officer reasonably believes that there is no-one apparently in possession of the seized item because it has been abandoned or because of the condition, nature and value of the item it would be unreasonable to require the officer to comply with this requirement.

New section 68 states that if a police officer seizes goods, advertising material or a device under section 66, the officer must give the item to the Office of Commonwealth Games Coordination as soon as practicable after the seizure. The Office of Commonwealth Games Coordination must keep the seized item until it is either returned to its owner under section 69 or forfeited to the State.

New section 69 states that where a seized item has some intrinsic value and is not forfeited to the State, the Office of Commonwealth Games Coordination must return the item to its owner either by the end of six months after the seizure or, if a proceeding involving the item has commenced within six months of the seizure, then at the end of that proceeding or any appeal from the proceeding.

If a seized item has been destroyed, or damaged to the extent that the item is no longer fit for its intended purpose, the appropriate body for the item (defined in new section 65) must pay to the item's owner compensation equal to the market value of the item at the time of seizure, and any other loss or damage incurred by the owner as a result of the seizure.

This section does not affect any lien or other security over the seized item.

New section 70 provides that where a seized item is to be returned to the owner under section 69, the director-general of the department administering the principal Act may decide that the item is forfeited to the State if the Office of Commonwealth Games Coordination after making reasonable inquiries cannot find its owner or after making reasonable efforts cannot return the item to its owner.

The Office of Commonwealth Games Coordination is not required to make inquiries or efforts if it would be unreasonable to make inquiries to find the owner or efforts to return the item to the owner. In deciding whether it is reasonable to make inquiries or efforts regard must be had to the seized item's condition, nature and value. Where inquiries or efforts are made, regard must be had to the item's condition, nature and value when deciding what inquiries or efforts, including the period over which they are made, are reasonable.

New section 71 states that an owner of a seized item may forfeit the item at any time to the State by written notice to the Office of Commonwealth Games Coordination, where it is forfeited upon receipt of the notice.

New section 72 states that if a court convicts a person of an offence under section 51 or 52, or makes an order against a person in a contravention of a section, when imposing a sentence or

making an order, the court may also order a seized item be forfeited to the State if the person is the owner of the item and the item is the subject of the contravention. The court may make any order it considers appropriate to enforce the forfeiture.

New section 73 states where a seized item is forfeited to the State, the Office of Commonwealth Games Coordination must provide written notification of the forfeiture to the Corporation, the Australian Commonwealth Games Association and Commonwealth Games Federation.

New section 74 states that where a seized item is forfeited to the State, it becomes the property of the State.

New section 75 states that where a seized item becomes the property of the State under section 74, the director-general of the department administering the principal Act may deal with the item as the director-general considers appropriate. This may include destroying it or giving it away. However the director-general must not deal with the item in a way that could prejudice the outcome of an appeal against the forfeiture. If the seized item is to be disposed of by sale, the chief executive must consult with the appropriate body for the item (defined in new section 65) prior to the sale.

New section 76 provides for the surrender of goods, advertising material or a device to the Corporation. Prior to accepting any item, the Corporation must give the person written notice that it believes the person owns or possesses goods, advertising material or a device that is, or is intended to be, involved in a breach of section 51 or 52. The person may then surrender the goods, advertising material or device to the Corporation. Sections 68 to 75 then apply to the surrendered item as if it were a seized item, substituting the Corporation for the police officer. The Corporation must also give the person a receipt for the item, and give the item as soon as practicable to the Office of Commonwealth Games Coordination, and all the safeguards for seized items apply.

The written notice must explain the processes and safeguards set out in sections 68 to 75.

New section 77 provides that this chapter does not affect or limit a civil right or remedy that exists (apart from this chapter) at common law or otherwise. In other words, existing rights in relation to intellectual property coexist with the rights established by the Bill.

New section 78 states that it is a defence if a 'relevant entity' (see below) satisfies the court that when it used a protected image or protected reference, it was not aware the existing user was entitled to prevent the use of the image or reference through an action for passing off. A relevant entity is the Corporation, the Australian Commonwealth Games Association, the Commonwealth Games Federation or a person authorised to use a protected image or reference under section 56.

New section 79 states that this chapter expires on 31 December 2018.

Clause 13 replaces the heading for Part 6 of the Act with a new chapter heading.

Clause 14 renumbers section 48 to section 80.

Clause 15 renumbers the existing Schedule (the dictionary) as Schedule 4 and inserts a number of new terms.

Clause 16 inserts new Schedules 1 to 3 that respectively refer to expressions that are Australian Commonwealth Games Association references, Commonwealth Games Federation references and Games references.

Clause 17 provides that part 3 of the Bill amends the *Police Powers and Responsibilities Act 2000*.

Clause 18 amends Schedule 1 of the *Police Powers and Responsibilities Act 2000* to provide that the chapter that the Bill inserts into the *Commonwealth Games Arrangements Act 2011* is not affected by the *Police Powers and Responsibilities Act 2000*.