

Enforcement of CTMs and national TMs in the EU

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oct. 9 2013

Having such an active anti-counterfeiting committee, the European Communities Trade Mark Association's (ECTA) annual conference could not take place without a session dedicated to enforcement and counterfeiting matters.

The session 'Enforcement of CTMs and national TMs in the EU', moderated by Olivier Vrins, (ECTA council member, member of the ECTA anti-counterfeiting committee and of the enforcement working group at the European Observatory on infringements of IP rights), gathered together representatives of the private sector, legal profession and the observatory. It was a good opportunity to discuss the changes introduced by the new customs regulation and what the implications will be for rightsholders.



The session started with Marius Schneider, chair of ECTA Anti-Counterfeiting Committee, who explained that the commission is working internally on a document summarising the responses to the public consultation on the efficiency of proceedings and accessibility of measures. ECTA participated in this consultation and highlighted the difficulties to identify an infringer on the internet, as well as the lack of harmonisation in terms of corrective measures as far as not all countries provide for coercive penalties. ECTA also pointed out that the permanent removal from the market is the most efficient corrective measure. At the beginning of 2014, the commission will highlight specific points and future action points in this respect. The new Enforcement Directive will enter into force on 1 January 2014. Schneider briefly presented the most important changes, which will be applicable from this day to customs authorities and rightsholders. He focused namely on the new enlarged scope of protection of IP rights and the submission and processing of applications. For instance, in the framework of the permanent application for customs action, information listed in Article 6 is mandatory. Information is needed to enable customs to identify suspect goods, to analyse and assess the risk of infringement. Rightsholders will also have an active role to play as they must take the initiative to inform customs if their IP right ceases to be valid and when new risk analysis data is available.

Currently, the reform of the CTM is being discussed at the European Parliament and European Council. The European Commission took the opportunity to handle the very "hot topic" of goods of transit in its proposal published on 27 March. ECTA welcomes the provisions of Article 9 (4) and (5) and the prospect of taking more effective action against counterfeit and infringing goods. As regards 9(4), ECTA welcomes the clarification that rightsholders can prevent imports of counterfeit goods where only the consignor acts for commercial purposes. As a matter of fact, the sale of infringing goods via internet websites based outside of the EU, causes considerable damage to law-abiding manufacturers, traders and rightsholders, as well as deceiving and in some cases endangering, the health and safety of consumers. ECTA appreciates that stakeholders' requirements were taken into consideration and notes that Article 9(4) could also be relied upon to prevent parallel imports. As regards Article 9(5), the proposal to allow rightsholders to oppose the transit of counterfeit goods in the context of a commercial activity, even when the goods are not released for free circulation within the EU, is welcomed. In practice, traffickers abuse the transit status of counterfeit goods to leak them into the EU market. ECTA nonetheless believes that in the end a fair and balanced rule, which takes into account all interests, is adopted, the proposed text requires further careful consideration whether the application of Article 9(4), in practice, should be limited to counterfeit goods and provide adequate protection for the privacy of individual consumers and whether the application of Article 9(5), should be limited to counterfeit goods, as defined in footnote 14 under Article 51 of the Trade Related Aspects of Intellectual Property Rights Agreement.

ECTA always aspires to provide the most complete analysis possible of various IP matters, which requires the necessity to gather speakers from diverse backgrounds. It is crucial to look on enforcement matters from the rightsholders' perspective. Speakers Gerhard Bauer (IP-consultant, Germany) and Geraldina Mattsson (European IP counsel, Honda Motor Europe, UK,) focused on the kind of information rightsholders should provide to customs authorities in the context of cross-border measures. As they explained, the very first step is to determine the types of information necessary for customs to effectively seize goods at borders (trademarks, images of genuine products, images of counterfeit products previously seized, brief explanation of some distinctive features of the product and/or its packaging). Further, it is also fundamental to determine the amount of information to provide to the customs authorities. Providing too much information may be counterproductive, given the fact that customs will not have time to review all information. It is always very useful to back up all requests with images of the concerned goods as well as IP registrations. Images and short descriptions of counterfeits seized in the past may also be helpful. Another problem for rightsholders is to know whom they should contact. Last year, ECTA accomplished an extensive study on national authorities engaged in the fight against counterfeiting that is a source of information for rightsholders. As the speakers explained, the requests for action can be applied for by way of a national application for action or a community application for action. Both forms require some information to be disclosed to the authorities regarding "genuine" goods as well as "fraudulent" goods. Before customs is able to inspect the goods they must, on the basis of information provided by the rightsholder, be able to make a selection out of the total traffic of goods. This pre-arrival or pre-departure selection is based on risk-management. Information from the rightsholder therefore has to be two-sided with information on the original goods and information on counterfeits. When inspecting goods on entry in particular, invoice documents, freight

documents, other business documents, cases or containers, are examined. The inspection of documentation and declaration data therefore plays a very important role. Thus, rightsholders should supply the customs authority with information about the delivery and those parties involved therein, as well as any other information they may have, such as information concerning planned deliveries. This information should be as detailed as possible to allow customs authorities to identify suspect consignments and should include information on destination, name of the customs office where the goods are to be imported into the community or exported.

ECTA also had the opportunity to welcome the director of the European Observatory on infringements of IPRs, Paul Maier. Maier focused mainly on the projects of the observatory, expected to be accomplished in coming months.

As he explained to the participants, the observatory is currently preparing two studies. The first will focus on the concrete impact of IP on the economy and the second will tend to understand what role IP plays in citizens' everyday life. These two projects are necessary to allow the observatory to take efficient anti-counterfeiting measures. It also follows the observatory's main working philosophy; first "to know", second "to understand", and only then "to act". The studies may be expected after the summer break. Further, Maier presented all education projects, scheduled for 2013 and 2014, in which the observatory will be actively involved.

The last speaker of the session, Paul Tijam (attorney at law, De Brauw Blackstone Westbroek, The Netherlands) focused on EU-wide sanctions and ancillary claims. As he explained, the problem for many clients is that litigating in the country where the defendant is domiciled is not always the preferable route. Many factors may justify this, namely the fact that judges are not specialised in IP law, the high costs of litigation or length of the proceedings. Therefore, litigation requires the preparation of strategy. He pointed out the *Solvay v Honeywell* decision, which imposes to find an affiliated party to the infringer (preferably a company in the same group of infringer) that commits the same infringement in the member state where the client intends to litigate. Further, Tijam explained that in addition to an (EU-wide) injunction and claims for damages, there is a wide range of ancillary claims available in most member states, such as declaratory relief, destruction, alteration of infringing goods, publication of judgment, order for inspection or compensation of legal fees (not all member states). He concluded that since the before mentioned *Solvay v Honeywell* ruling, obtaining an EU-wide injunction against a foreign company is within reach, provided that it can be established that another company related to the (main) infringer, is committing the same infringing acts as the (main) infringer, in the member state where the claimant wants to litigate.

Footnotes

1. ECTA submission is available [here](#).
2. The study may be found [here](#). The study will also be available in the observatory's library of studies and research on topics linked to IP.

Author

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