

CUSTOMS MEASURES FOR THE PROTECTION OF IP RIGHTS

Customs power can be an efficient and economical weapon to protect IP rights, here illustrated in the context of a major trade fair, say Udo Pfléghar and Christiane Schenk.

Filing and maintaining an umbrella of registered rights is only the first step towards protecting a company's IP rights. Equally important is the defence and enforcement of those rights through actions before the IP offices to keep potential infringers off the registers and to watch the markets in order to take legal action against counterfeiters, black marketers and others making use of IP rights in bad faith. A wide range of measures are available to right holders before the offices and the courts as well as with the assistance of customs and criminal prosecution authorities.

One of these weapons is provided by Regulation (EU) No 608/2013, which came into force on January 1, 2014 and which constitutes a very effective tool for owners of IP rights to take action against infringing goods essentially when these enter or leave the customs territory of the EU. This is particularly the case if they own registered Community trademarks or registered Community designs.

Applications for customs measures can also be based on numerous other rights such as patents, utility models, copyright, geographical indications, supplementary protection certificates for medicinal and plant protection products, trade names and plant variety rights, as well as on national trademarks and designs.

Infringements of unregistered trademarks and designs, as well as illegal parallel imports,

so-called overruns and intra-Community trade are not the subject of the EU regulation. However, these could be covered by additional applications for customs measures pursuant to the national laws of, for example, Germany.

If the right is registered nationally in one or several EU member states, the right holder can file applications pursuant to Regulation (EU) No 608/2013 in each of these countries. Owners of registered Community trademarks and registered Community designs, or other IP rights based on EU law that have effect throughout the EU, have the option of submitting a single application covering several or all EU member states using the aptly named Union application.

In Germany, such applications are filed with the Central Customs Office for the Protection of IP (ZGR). Once a Union application is granted, its details are made available to the central customs authorities of the designated, or all, EU member states (depending on the requested scope of the application) via the European database system COPIS (Anti-Counterfeit and anti-Piracy Information System). This is a fairly straightforward application procedure.

The customs authorities will then detain, or suspend the release of, goods that they suspect to be infringing corresponding IP rights and will inform the right holder and the declarant or holder of the goods accordingly. If the right holder confirms that there is an infringement,

the relevant goods will be destroyed upon his/her request unless the other party explicitly opposes the destruction within 10 working days. Only if objections are raised will it become necessary to initiate civil proceedings to obtain the confirmation of the courts that a right has been infringed. However, this is frequently not the case.

Fair treatment

Regulation (EU) No 608/2013 also allows the customs authorities to take action at international trade fairs and this is a further very efficient tool available to right holders.

Such actions can take place at trade fairs throughout Europe and customs offices at major exhibition centres are well prepared for these measures.

A good example is the city of Frankfurt am Main in Germany, home of the Messe Frankfurt trade fair company, where there is cooperation between the customs office responsible for the district and the various Frankfurt fairs, including the Ambiente consumer goods fair, which had more than 144,000 visitors in 2014.

Prior to attending such an event, right holders or their attorneys can register with the customs office in order to take part in customs actions during the fair. Once registered, attorneys and/or the right holders are invited to meet customs officers, normally on the first morning of the fair.



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The exhibitors present are divided into groups, covering different goods exhibited at the fair. The exhibition halls to be visited are agreed on and each group of right holders is accompanied by a team of armed customs officers.

Once the tour starts, it is up to the right holders either to point out exhibitors that may be infringing or to see whether they can spot infringing goods on stands or in printed material. Additionally, the customs officers, who have ample experience in this field, are on the lookout for copies of goods for which applications for customs measures have been filed. The tour can go anywhere in the exhibition at any time so it is very difficult for the exhibitors to predict what will happen, and when.

Once an infringing item is spotted, the customs officers enter the stand and examine the supposed infringement. If reported by right holders, it is up to them to provide evidence of the infringement. For that reason, it is essential to have the necessary documents as proof of the registered rights being infringed on hand to show to the customs officers.

If the documentary evidence confirms an infringement, several things will happen.

First, infringing items are removed from the stand and confiscated by customs. Alternatively, if there is one infringement in a catalogue, customs will take a sample and order the infringer to remove/delete/cross out the item in

question. If there is a need to delete more items from a larger number of catalogues, the infringer is ordered to do so within a certain time.

Second, the infringer is ordered to pay an on-the-spot security deposit to cover the subsequent court costs and a possible fine. If this deposit cannot be paid, customs will call the prosecutor on duty at the fair who will then order the infringer to be arrested and put in a holding cell until such time as the funds are made available. Should the same party be found to be infringing more than once, the amount of the deposit increases substantially.

Understandably, these measures can lead to heated discussions and it is reassuring to know that experienced customs officers are prepared to take control of the situation. Any reluctance to pay the fine is usually overcome when it is made clear what the consequences of non-payment would be and it becomes obvious that threatened calls to embassies do not have the intended effect.



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Later on, another inspection is carried out to see whether the required remedial steps have been taken by the exhibitors. If not, more and higher fines become due. This opportunity can also be used to check on further stands that may have been spotted by right holders in the interim.

After the fair, detailed criminal complaints are filed concerning the goods in regard to which steps were initiated during the exhibition. These are processed by the prosecutor's office and may lead to further fines for the infringers.

Overall, this is a very efficient and economical way to stop infringements at trade exhibitions. Considering that such fairs can be the scene of major deals involving orders for plagiarised and infringing goods, it is definitely worthwhile spending time preparing for, and taking part in, such controls rather than having to file civil claims in the courts against every potential infringer discovered at the fair.

This cooperation between right holders and customs should be considered seriously as a further means of protecting IP rights. The possibility of whether such cooperation exists at fairs relevant to the right holders should be investigated. With experienced representatives of the right holders on site to assist the customs officers, this can be a very powerful weapon in the fight against counterfeits and infringements. ■

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