

Dominique Kaesmacher, Lionel Duez and Anne Gaëlle Peters of Kirkpatrick in Brussels explain how the description seizure and Customs seizure can be useful tools for trade mark owners in Belgium

Two tools to combat counterfeiting

According to the International Chamber of Commerce, counterfeiting and piracy represent between 5% and 10% of world trade. Over the past decade, this phenomenon has grown into a real global industry that destabilizes companies that own intellectual property rights, by stealing the profit from their investment in research and in the means of protection.

In particular, counterfeiting and piracy represent a problem in Belgium where the port of Antwerp and Zaventem airport are major points of entry to the European Union. This article gives a brief, practical outline of the way in which two particularly effective and frequently used tools operate in Belgium to combat this scourge: description seizure and customs seizure.

Description seizure

Description seizure is a procedure enabling someone holding certain IP rights and who seriously suspects his rights are being infringed to obtain by surprise (but with a judge's authorization) two types of measures: first, the description of the counterfeit articles where they are located and second, if appropriate, supplementary measures, particularly the seizure or placing under seal of the counterfeit articles, the seizure of the proceeds generated by counterfeiting, etc.

Description measure aims to enable the right owner to preserve evidence of the suspected counterfeiting, its extent and its origin. The objective of the supplementary measures is to limit further infringements of the IP rights.

Who can use the procedure?

The main beneficiaries expressly designated by law (Article 1481 of the Civil Code) are: patent owners, owners of a supplementary protection certificate, owners of and applicants for plant variety rights, copyright owners and owners of a related right, including database producers' rights, and their assignees. Since the decision of the Belgian Court of Arbitration of March 24 2004, trade mark holders may also use this procedure.

What should the holder of an IP right who suspects infringement do?

The description seizure procedure is subject to strict conditions and to the involvement of a number of agents: the judge, a court bailiff, an expert and an attorney. It requires extremely careful preparation of the case.

As the procedure requires the prior authorization of the seizure judge, the involvement of an attorney is essential. He or she will prepare the unilateral application whereby the owner of the IP right will request the competent judge to appoint an expert to be tasked with the mission of drawing up the description at the premises where the suspected counterfeit articles are located and, if appropriate, to authorize supplementary measures (with the bailiff). As the expert and the bailiff are governed by the mission described in the judge's ruling, extremely careful preparation of the document is required.

The judge will have to verify two conditions: first, the existence "at first glance" of an IP right owned by the applicant and, second, the existence, at first glance, of an infringement of this right. The existence of an IP right is usually proven by means of a Benelux or Community trade mark registration, a Belgian patent or a European patent designating Belgium or, alternatively, a published European patent application – proof that cannot obviously be contested. Regarding infringement, serious suspicions or indications suffice.

When these conditions have been met, the judge is obliged to issue the order for the requested description measure. As to the supplementary measures, the judge has discretionary power and will assess if the requested measures are appropriate in view of the circumstances of the case (namely the effects of non-availability of the goods on the commercial health of the alleged counterfeiter, the interests of the applicant, who must be able to limit the effects of the alleged counterfeiting as far as possible, and the general interest (such as public health)).

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She also lectures at the University of Liège (Belgium).

The expert's role is to describe what he has observed without actually assessing the existence of any counterfeiting. To this end, the expert has access to all the required information and may take a copy thereof, without being restricted by any confidentiality attached to the information (but, obviously, the expert will be bound by a confidentiality obligation as to information collected in the course of the procedure). He may also take photos or samples. The expert must ensure that he remains within the scope of the mission defined by the judge,

report or, if monies have been seized within the context of the supplementary measures requested, within one month of the seizure.

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Admittedly, the person targeted by the acts of description and/or seizure may instigate third-party proceedings against the decision, which will result, in particular, if judgment is recovered, in the expert's observations becoming null and void. Furthermore, it should not be forgotten that the applicant may be required to deposit a sometimes considerable sum of money, which is set by the judge.

which is, it should be remembered, to establish the existence, the extent and the origin of the suspected counterfeiting.

The bailiff serves the order authorizing the description seizure on the party possessing the counterfeit articles that are the subject of the description and/or supplementary measures. He also carries out the seizures, affixes seals, etc, and, as a law official, may have recourse to law-enforcement agents in the event of opposition on the part of the person targeted by the measures.

In order for the owner of the IP right to be able to make use of the observations gathered within the context of the description seizure, he must instigate an action for infringement within one month of submission of the designated expert's final

Action by Belgian Customs

On July 1 2004, Council Regulation (EC) No 1383/2003 came into force, with the aim of improving collaboration between holders of IP rights and Community Customs, with a view to closing frontiers to counterfeit or pirated goods and thus preventing their marketing within the European Union.

Who can benefit from Customs action?

The beneficiaries are patent owners; owners of supplementary protection certificates; proprietors of designs and models; copyright owners and owners of related rights; trade mark proprietors; and holders of designations of origin, plant variety rights and geographical indications.

How to request Customs action?

Customs services are able to act either on their own initiative or at the request of the right owner (or of a third party authorized by him).

When the Customs authorities believe that there are sufficient grounds to suspect that the goods they discover during an action are infringing an IP right, they may, on their own initiative, suspend release or retain goods for a period of three working days. This period may be used by the right owner to lodge a formal application for action.

When the application for action has been lodged and accepted, there is a period of 10 days (renewable once) during which the right owner is able to examine the goods and file a legal action with a view to having the competent court appraise the counterfeit nature of the goods seized (or, alternatively, produce a surrender certificate, as described below).

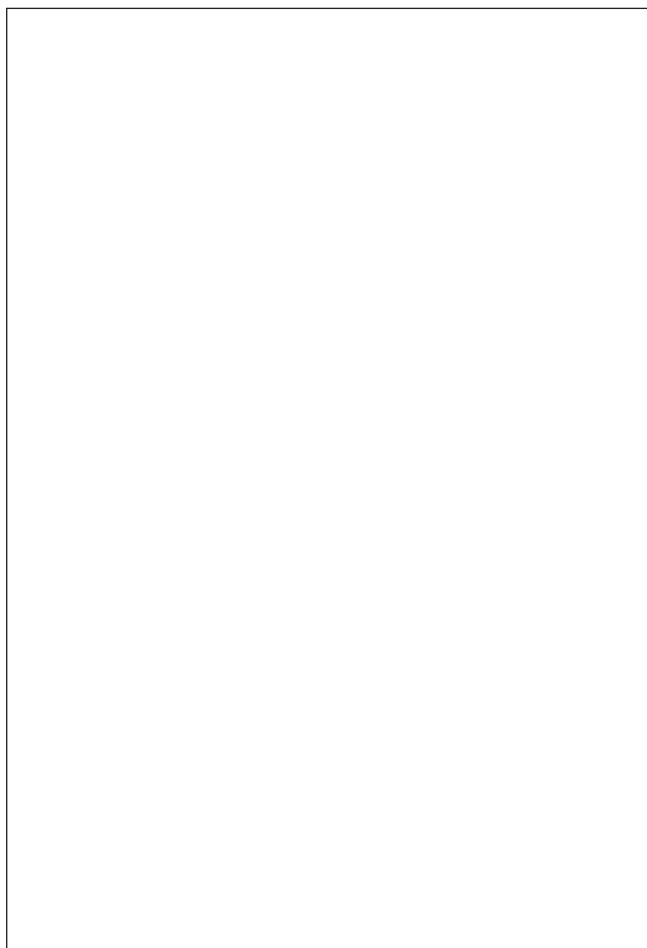
The right owner may also lodge an application for preventive action with the Belgian Customs authority. Customs acknowledge receipt of the application and within 30 working days advise whether it has been accepted or rejected.

On the basis of the information contained in the application for action, Customs may suspend release or retain allegedly counterfeit goods. The right owner then has a period of 10 days (renewable once) to inspect the goods and to file a legal action in order to assert his rights or to obtain and produce a surrender certificate.

However, in the case of perishable goods, the period of 10 days is reduced to three working days.

What does the application for action contain?

The application for action is made using documents that have been standardized at European level and contain all the



necessary information for the Customs authorities to be able easily to recognize the goods in question. If the protection of their IP rights extends over other EU member states or even the entire European Union, right owners may use the same forms to take action Community-wide. The application for action is valid for one year and not subject to the payment of any surety.

The application may be filled in and signed by the right owner or any other person authorized to make use of this right or, alternatively, the right owner's representative, particularly a collecting society.

This application contains, in particular:

- 1) proof that the applicant is holder of the IP right invoked (or authorized thereby) (a trade mark, a model registration, a patent, etc);
- 2) a declaration from the applicant certifying that he accepts liability (in the event of error concerning the counterfeit nature of the assets held at Customs) and thus agrees to cover the costs of storage plus any damage caused to third parties;
- 3) a precise, detailed technical description of the goods;
- 4) information concerning the nature or the type of fraud suspected;
- 5) the contact details of the contact person designated by the right owner to inspect the goods;
- 6) if appropriate, the member states in which the Customs authority action is requested.

It may also be useful to provide information such as the tax-exclusive value of the original goods item, the place where the suspect goods are located or the anticipated destination, the anticipated date of arrival or departure of the goods, the

means of transport used, or the technical differences between the authentic and suspect goods.

What happens next?

If no proceedings are instigated within the relevant period (3, 10 or 20 days), or the judge rules that there has been no infringement, the goods will be released. However, goods judged to be counterfeit will in principle be destroyed or removed from trade so as to prevent prejudice being caused to the right owner. They may also be

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destroyed in accordance with a simplified procedure. This will be the case if the right owner is able to produce the written agreement of the declarant, the holder or proprietor of the goods, whereby the goods seized are surrendered with a view to destruction.

Excellent results

The speed of this procedure and its low cost are certainly its main advantages, combined with the fact that it allows action at an early stage (even before the goods enter the market). This efficient tool has already given excellent results in Belgium. Customs authorities listen closely to right owners and give preference to the option of applications for preventive action, which makes their job much more effective.

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