

Seizure of goods in transit – relationship with criminal measures

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Introduction – the outskirts of IP

- The origin of customs/border measures as tools to protect IP
- Conceptually peripheral/ practically important
- The special case of „transit” vis-a-vis „standard” customs measures
- Criminalisation of IP rights’ infringement with particular emphasis on copyright law

”Procedural measures”

- How to conceptualise customs enforcement?
- Is it enforcement? What type?
- How does it relate to the scope of exclusive rights
- What are the consequences of its “procedural” nature?
- In what sense is it “procedural”?
- Where do substantive/material issues lurk?

International legal framework for transit and IP

- GATT: Art. V : *There shall **be freedom of transit** through the territory of each contracting party, via the routes most convenient for international transit, for traffic in transit to or from the territory of other contracting parties. No distinction shall be made which is based on the flag of vessels, the place of origin, departure, entry, exit or destination, or any other circumstances relating to the ownership of goods, of vessels or other means of transport.*
- Can ‘**genuine**’ transit be infringing under GATT?
- To what extent is it possible to seize goods in transit because of IP infringements?
- Foothold for the infringement theory in „classic” IP?
- Particularly sensitive issues (e.g. pharmaceuticals)

Transit and infringement - the traditional approach

- The concepts of infringement in trademark, patent, design and copyright law
- The objectivity of direct infringement
- The additional factors of indirect/secondary infringements
- Transit-related aspects of indirect infringements (transport companies) – the experience so far.
- Could transit be an exception or limitation?

Trademark law

- Trademark use
 - Putting on the market, importing and exporting
- The forms of use
- The essential function of trademarks
- Free movement of goods (EU and international law)
- Territoriality of IP rights
- Significance of a risk of infringement

Patent law

- Use of the invention
 - Importing, exporting, putting on the market
- Sensitive subject-matter of certain patents
- Territoriality in patent law – the current state of affairs
- Differing regimes of patent law and lack of EU harmonisation
- Manufacturing fiction
- Art. 5^{ter} of the Paris Convention

Patent law

Section 60 (5) Patents Act 1977 (example) : An act which, apart from this subsection, would constitute an infringement of a patent for an invention **shall not do so if:**

(d) it consists of the use, exclusively for the needs of a relevant ship, of a product or process in the body of such a ship or in its machinery, tackle, apparatus or other accessories, in a case where the ship has temporarily or accidentally entered the internal or territorial waters of the United Kingdom;

(e) it consists of the use of a product or process in the body or operation of a relevant aircraft, hovercraft or vehicle which has temporarily or accidentally entered or is crossing the United Kingdom (including the air space above it and its territorial waters) or the use of accessories for such a relevant aircraft, hovercraft or vehicle;

(f) it consists of the use of an exempted aircraft which has lawfully entered or is lawfully crossing the United Kingdom as aforesaid or of the importation into the United Kingdom, or the use or storage there, of any part or accessory for such an aircraft.

Copyright law

- A different concept of infringement?
- Three 'pillar' rights:
 - Reproduction
 - Communication to the public
 - Distribution
- Extension of the distribution right
- Case law of the CJ EU

Transit as infringement revisited: trademark law

- CJ EU: no infringement; demanding requirements:
 - Judgment CJ EU - 1 December 2011, (C-446/09 and C-495/09)
- New right expanding the scope of trademark protection
- Making sense of the new right
- Can it be translated into copyright?
- Should other rights follow?

Transit as infringement revisited: trademark law

Art. 10 (4) of the Trademark Directive:

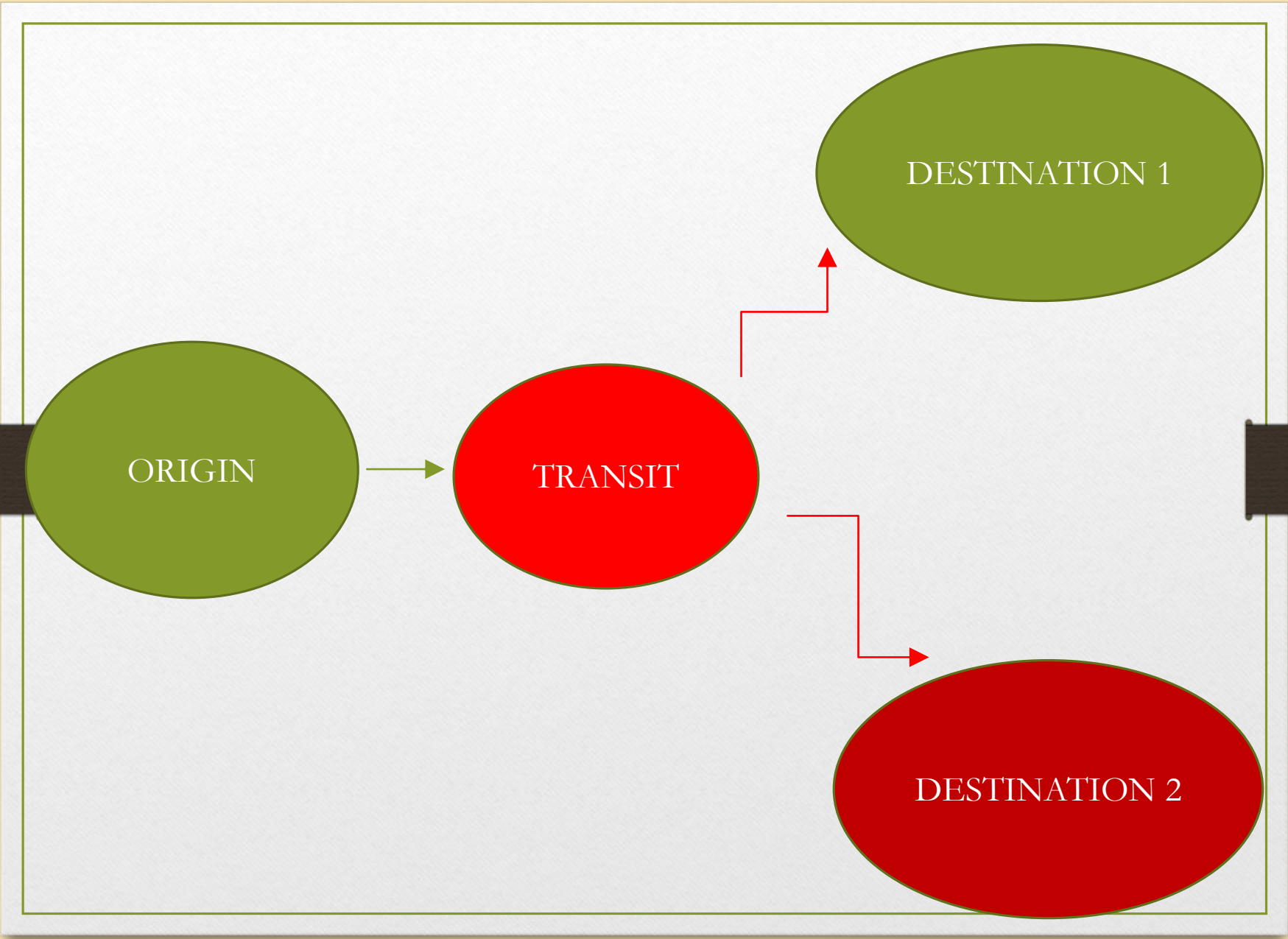
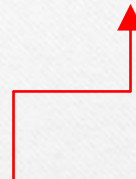
“Without prejudice to the rights of proprietors acquired before the filing date or the priority date of the registered trade mark, the proprietor of that registered trade mark shall also be entitled to **prevent all third parties from bringing goods, in the course of trade, into the Member State where the trade mark is registered**, without being released for free circulation there, where such goods, including the packaging thereof, come from third countries and bear without authorization a trade mark which is identical with the trade mark registered in respect of such goods, or which cannot be distinguished in its essential aspects from that trade mark. The entitlement of the trade mark proprietor pursuant to the first subparagraph **shall lapse** if, during the proceedings to determine whether the registered trade mark has been infringed, initiated in accordance with Regulation (EU) No 608/2013, evidence is provided by the declarant or the holder of the goods that the proprietor of the registered trade mark **is not entitled to prohibit the placing of the goods on the market in the country of final destination.**”

ORIGIN

TRANSIT

DESTINATION 1

DESTINATION 2



Seizure of goods in transit as preventive measure

- Expansion of IP Protection
- *Vorfeld der Verletzung*
- Indirect patent infringement, secondary liability, protection of technological measures
- Scope of right: offering; case law on hyperlinking
- Customs measures as another remedy triggered by a risk of infringement
- What failures should this compensate?

Criminal law remedies

- No obvious connection to customs measures
- But (criminal proceedings as a means of complying with the requirements of the Regulation)
- Riding the same wave (pre-emptive, discouraging measures)
- Putative failures of civil law enforcement
- When is criminalisation justified?

Fundamental rights

- Who makes the decisions?
- The role of courts
- The role of administrative bodies
- Burden of proof (reversal) and its consequences
- The position of the recipient of goods
- Remedies available in the case of unjustified seizure

Conclusions

- Goods in transit are not infringing goods
- Risk of infringement may justify additional measures
- There is no compelling reason to apply less demanding requirements to „risk”
- There are reasonable grounds to be rather strict about it.

Thank you for your
attention!

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