MASTER THESIS

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„Regulation 608/2013 in the Light of Case Law and Former Regulation 1383/2003 – An Improvement for Right-Holders?“

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Table of Abbreviations

Agreement on Trade-Related Aspects of Intellectual Property Rights	TRIPS
article	art
chapter	ch
confer	cf
Court of Justice of the European Union	CJEU
edition	edn
editor/editors	ed/eds
European Union Trademark	EUTM
General Agreement on Tariffs and Trade	GATT
intellectual property	IP
intellectual property right	IPR
paragraph	para
part	pt
section	s
subsection	sub-s
supplementary protection certificate	SPC
that is	i.e.
World Trade Organisation	WTO

Introduction

The new regime of customs enforcement of IPRs (hereinafter intellectual property rights), namely Council Regulation (EC) 608/2013 concerning customs enforcement of intellectual property rights and repealing Council Regulation (EC) 1383/2003 (hereinafter Regulation 608/2013), aims to provide a larger scale of IP rights for right-holders to be invoked in customs enforcement procedures in comparison to its precedent Council Regulation (EC) 1383/2003 concerning customs action against goods suspected of infringing certain intellectual property rights and the measures to be taken against goods found to have infringed such rights (hereinafter Regulation 1383/2003).[1] Nevertheless, it is considered that the Regulation 608/2013 generates even further gaps in the system.[2]

Problematic, in the scope of the Regulation 608/2013, is that there are numerous remarkable exclusions to it.[3] An illustration of this is that the Regulation does not apply to parallel imports, goods in transit nor to overruns.[4] In fact, already in judgment of the Court of Justice of the European Union (hereinafter CJEU) concerning the *Koninklijke Philips Electronics NV v Lucheng Meijing Industrial Company Ltd and Others* and *Nokia Corporation v Her Majesty's Commissioners of Revenue and Customs* case (hereinafter *Philips* and *Nokia* cases), the scope of enforcement of IPRs by customs at its external borders was reduced.[5] According to the judgment, the CJEU held that goods which are solely in transit to a non-EU country, and cross the EU customs territory, are not infringing IPRs in the EU, and thus, cannot be detained by the customs under the Regulation 1383/2003.[6] Evidently, the Court by its judgment, revealed a

[1] HKTDC Research, 'European Commission Publishes Notice on the Customs Enforcement of Intellectual Property Rights Concerning Goods Brought into the EU Customs Territory' (*HKTDC*, 5 August 2016) <http://hkmb.hktdc.com/en/1X0A6ZKJ/hktdc-research/European-Commission-Publishes-Notice-on-the-Customs-Enforcement-of-Intellectual-Property-Rights-Concerning-Goods-Brought-into-the-EU-Customs-Territory> accessed 17 May 2018

[2] Paul Torremans (ed), *Research Handbook on Cross-border Enforcement of Intellectual Property* (Edward Elgar Publishing 2014) 279

[3] Catherine Seville, *EU Intellectual Property Law and Policy* (2nd edn, Edward Elgar Publishing 2016) 514

[4] Askan Deutsch and Robert Zimmerman, 'Customs Seizure Proceedings in the European Union and the United States' (2014) 9/4 Journal of Intellectual Property Law and Practice <https://fps-law.de/files/redakteur/downloads/release/journal-of-intellectual-property-law-practice-2014-02-25-customs-seizure-proceedings-in-the-european-union-usa.pdf> accessed 17 May 2018

[5] cf Torremans (ed) (n 2) 321

[6] Daniel Hasik and Anna Lapinska, 'The Seizure by Customs Authorities of Counterfeited Goods: The Ruling by the European Court of Justice in Blomqvist v. Rolex and the Changes Brought About by Regulation (EU) No. 608/2013' (2015) 16(1) ERA-Forum <https://link-springer-com.uaccess.univie.ac.at/article/10.1007/s12027-015-0380-5> accessed 26 March 2018

loophole on the issue.[7] Later on, the Regulation 1383/2003 was replaced by 608/2013 but so far, the gap has not been closed.[8] It is claimed that in comparison to the Regulation 1383/2003, the Regulation 608/2013 is a step backwards rather than ahead,[9] even though it was supposed to cover larger amount of IPR infringements in comparison to the Regulation 1383/2003.[10]

Underlying reasons for the author to choose such topic was the complexity of the legal questions in relation to customs enforcement. Thus, the author considers this field of law to be fruitful to study. As it is stated, the author can underline that the subject of customs enforcement is not simple and straight-forward. The legislation, coupled with case law behind the entire customs enforcement regime, has been and still is uncertain, complex and surprisingly contradictory.[11] Yet, not so many sources were concentrating entirely in customs enforcement issues. The author observed that the sources relating to IP had only marginal concentration on customs enforcement at the end of each of those literary works.

In this paper, the author investigates whether the existent exclusions in the Regulation 608/2013 leave the legal situation in customs enforcement of IPRs incomplete. Seemingly, the exclusions to the scope, judgments of the CJEU and the replacement of the newer regulation to the old one, make the regime rather confusing. Even so, little attention is drawn in order to open discussions on the issue and, for the author, it seems that to a great extent, a lot is condoned by the fact that the Regulation 608/2013 is purely provisional and not substantive in its nature. It would thus be of interest to learn whether this is valid reasoning for the Regulation.

The author aims to outline the level of protection when it comes to right-holders, and in relation to this, denote some views of her own what could be regulated better in the future. The author will scrutinise some wordings in the Regulation 608/2013 and draw conclusions on what do these choices of wording incur for right-holders. Thus, the author aims to contribute in greater depth to the issues of customs enforcement as there are not much debate about those specific

[7] cf Torremans (ed) (n 2) 321

[8] De Brauw Blackstone Westbroek, ‘New Anti-Piracy Regulation Offers Protection for IP Right Holders’ (*De Brauw Blackstone Westbroek*, 13 January 2014) <www.debrauw.com/newsletter/new-anti-piracy-regulation-offers-protection-ip-right-holders/?output=pdf> accessed 6 April 2018, 2

[9] Olivier Vrins, ́Regulation 608/2013: Towards a More Effective Customs Enforcement of Intellectual Property Rights?’ (2013) 3(4) Beneluxvereniging voor Merken- en Modellenrecht Bulletin <www.bmmbulletin.nl/uploads/pdf/BMM2013_3-4(118-134).pdf> accessed 21 May 2018, 119

[10] cf Torremans (ed) (n 2)

[11] Richard Steppe, ‘The Current EU Framework Regarding Border Measures against Good in Transit: A Viable and Balanced Set of Instruments? (2015-2016) 52(1) Jura Falconis Jg <www.law.kuleuven.be/apps/jura/public/art/52n1/steppe.pdf> accessed 4 April 2018, 81

wordings. The author ponders this issue to be of novelty and that these wordings really make a difference in relation to right-holders.

The research questions of this thesis are: Does the scope of the Regulation 608/2013 leave important areas outside (i.e. parallel imports, goods in transit, overruns and traveller's personal luggage)? Is exchange of information a sufficient solution to the concern of goods in transit? Does the Regulation 608/2013 fail to provide legal certainty, and in fact, create new gaps? The author's hypothesis is that the Regulation 608/2013 fails to provide improved protection over the Regulation 1383/2003 for right-holders.

This thesis will be written in compliance with Oxford University Standard for the Citation of Legal Authorities (OSCOLA) coupled with a method of qualitative research methodology. Respectively, this thesis is conducted by using a wide variety of academic books, as well as, academic articles. Naturally, as it is stemming already from the topic of the work, case law and regulations, play a significant role. As the topic is highly interlinked to IP and to the Agreement on Trade-Related Aspects of Intellectual Property Rights from the year 1994 (hereinafter TRIPS Agreement), also a comprehensive spectrum of directives is introduced throughout the work.

In the first chapter, the author will scrutinise the relations between suspicion, indications and burden of proof when it comes to judgement of *Philips* and *Nokia* cases, as well as, manufacturing fiction that can be postulated from Recital 8 of the Regulation 1383/2003. The second chapter introduces some important cases that must be mentioned when discussing about the issue of goods in transit. In relation to goods in transit, it is important in this respect to include the changes in substantive law achieved by EU Trademark Reform Package that came into force in 2017[12].

Another matter, close to the goods in transit question, of which the author wanted to include in the thesis, is the exchange of information as a one way of dealing the goods in transit issue. In chapter 3, the impact on right-holders is researched in the context of, so called, new introductions to the scope of the Regulation 608/2013, such as small consignment procedure and additional types of IP. Chapter 4 deals with exclusions to the scope; on the one hand, parallel

[12] Ulrike Grübler, 'A New Chapter in EU Trademark Reform: Changes from October 1, 2017' (2017) 3 Business Law Magazine <www.businesslaw-magazine.com/wp-content/uploads/sites/4/2017/09/5_Gr%C3%BCbler_BLM_032017.pdf> accessed 6 May 2018, 13

imports and overruns understood as genuine goods, and on the other, traveller’s personal luggage comprising pirated and counterfeit goods. Finally, before the conclusion part of the thesis, the relationship, between the Regulation 608/2013 and the TRIPS Agreement coupled with connections to Council Directive (EC) 2004/48 on the enforcement of intellectual property rights (hereinafter IPR Enforcement Directive), is studied. The very last sub-chapter has a very practical viewpoint to the filing of the applicants concerned.

1. Right-Holders' Rights, or Rather Deficiencies of Rights?

1.1. Suspicion, Indications or Burden of Proof?

As the name of the Regulation 1383/2003 indicates, the scope of the former Regulation was directed to 'goods suspected of infringing an IPR'. In order to customs to take action, the goods must be suspected of infringing an IPR.[13] In this regard, there are no changes between the Regulation 1383/2003 and the Regulation 608/2013.[14] Although, it is stated that formerly, obscurity in practice, whether goods were suspected of infringing an IPR, was more strongly present.[15]

The current Regulation 608/2013 applies given that suspected goods cross one of the external borders of the EU no matter what is their customs status.[16] To put it another way, it applies just as to goods being exported from, or released for free circulation in, the EU, so to in-transit or trans-shipped goods, and to goods stored in a free zone or warehouse.[17] In any event, goods at hand must be reasonably suspected of infringing IPRs.[18] Expressively, in the *Philips* and *Nokia* cases, CJEU has held that goods cannot be suspected of infringing IPRs in the EU, and respectively, cannot be detained by customs authorities unless there are indications that they are intended for the EU market.[19]

With attention to indications, it was decided that indications of fraudulent diversion of goods onto the European Union market itself do entitle customs authorities to take action.[20] Deriving from the judgment of *Philips* and *Nokia* cases, since actual evidence is cumbersome to provide, the need of proof would undermine the effectiveness of Council Regulation (EC) 3295/94 laying down measures to prohibit the release for free circulation, export, re-export or entry for a

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[13] Thorsten Bausch, 'New Regulation on Customs Action as of 1 January 2014: In a Nutshell, Important Changes in View of Patent Rights' (*Kluwer Patent Blog*, 20 December 2013) <http://patentblog.kluweriplaw.com/2013/12/20/new-regulation-on-customs-action-as-of-1-january-2014-in-a-nutshell-important-changes-in-view-of-patent-rights/> accessed 13 March 2018, 2
[14] ibid
[15] Sandra Rinnert, 'New European Regulation 608/2013 Concerning Combating Counterfeit Goods' 9(1) World Customs Journal <http://worldcustomsjournal.org/Archives/Volume%209%2C%20Number%201%20(Mar-Apr%202015)/WCJ_V9N1%20Rinnert.pdf> accessed 15 March 2018, 39
[16] cf Torremans (ed) (n 2) 215
[17] Xavier Seuba, *The Global Regime for the Enforcement of Intellectual Property Rights* (Cambridge University Press 2017) 334
[18] cf Torremans (ed) (n 2) 215
[19] Joined Cases C-446/09 and C-495/09 *Koninklijke Philips Electronics NV v Lucheng Meijing Industrial Company Ltd and Others and Nokia Corporation v* Her Majesty's Commissioners of Revenue and Customs [2011] ECR I-12435, para 78
[20] cf Hasik and Lapinska (n 6)

suspensive procedure of counterfeit and pirated goods (hereinafter Regulation 3295/94), and after the Regulation 3295/94, the Regulation 1383/2003.[21]

At the same time, there is a view that a proof is needed in order to be ensured that the goods will actually later on be placed onto the market in the EU.[22] In this regard, there ought to be a concrete material risk *effectuating* a suspicion.[23] Thereupon, solely an abstract risk of fraudulent diversion to EU consumers would not suffice.[24] The suspicion must be constituted by the facts in the case at hand.[25]

The author determines that talking about both indications and suspicion of infringement of IPR in the judgment is not problematic in a sense. However, the author ponders that another matter entirely is requiring the proof where the author concludes that the threshold is much higher in contrast to suspicion and indications. The author is in the opinion that talking crisscross about suspicion of infringement of IPRs coupled with indications, and then again, requiring a proof, on the other hand, is rather ambiguous. The author remains in this opinion regardless the fact that the court actually made a distinction between them in *Philips* and *Nokia* cases.[26]

At the present time, Recital 15 of the Regulation 608/2013 states that when it comes to the issue whether goods at hand should be suspended or not by custom authorities, they may base their suspicion of infringement on reasonable indications in accordance with the *Philips* and *Nokia* cases.[27] In accordance with what the Court stated, it is one thing to detain the goods on the basis of suspicion by the customs authority's decision; it is quite another where there is a substantive decision determined on the basis of proof by a judicial authority to decide whether an infringement of IPR has occurred.[28]

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[21] Joined Cases C-446/09 and C-495/09 *Koninklijke Philips Electronics NV v Lucheng Meijing Industrial Company Ltd and Others and Nokia Corporation v* Her Majesty's Commissioners of Revenue and Customs [2011] ECR I-12435, para 52
[22] cf Torremans (ed) (n 2) 277
[23] cf Seville (n 3) 444
[24] ibid
[25] Radim Charvat, 'Goods in Transit and Intellectual Property under the EU Law and Case-Law of the Court of Justice' (2014) 14(2) ICLR <www.degruyter.com/downloadpdf/j/iclr.2014.14.issue-2/iclr-2016-0054/iclr-2016-0054.pdf> accessed 6 April 2018, 99
[26] cf Seville (n 3) 444
[27] cf Charvat (n 25) 102
[28] Joined Cases C-446/09 and C-495/09 *Koninklijke Philips Electronics NV v Lucheng Meijing Industrial Company Ltd and Others and Nokia Corporation v* Her Majesty's Commissioners of Revenue and Customs [2011] ECR I-12435, para 68

In any event, the ruling is largely criticised for overburdening right-holders.[29] This is precisely where the Regulation 608/2013 was desired to provide alleviation for right-holders after the *Philips* and *Nokia* cases.[30] As the requirements for right-holders for proving the intention to sell on the European Union market are hard to meet, the right-holders are not unrestrained to enforce their IPRs.[31] In this regard, it can be said that the Regulation 608/2013 has failed to provide legal protection for right-holders.[32] The author agrees with all these arguments and admits that there is a hindrance to enforce their IPRs, which brings the author to her third research question; whether the Regulation 608/2013 fails to provide legal certainty, and in fact, create new gaps? The author ponders that the Regulation 608/2013 does fail to provide legal certainty in this regard, however, concerning the follow-up question, it can be concluded that, in this regard, the Regulation 608/2013 does not create new gaps but, for sure, *leaves* the question open. Quite the contrary, the Regulation 608/2013 was expected to reverse the burden of proof, or at least, to relieve the burden of proof in relation to IP right-holders.[33]

As shown above, in the absence of substantive proof that the goods were supposed to be destined in the European Union market, the goods are not considered to be counterfeited goods.[34] In this regard, the right-holder has the burden of proof.[35] According to the judgment, such proof can be a situation where it emerges that the goods have been sold to a customer in the European Union, or respectively, offered for sale or advertised to consumers in the European Union.[36] Then again, it may be apparent from documents or correspondence that the goods are intended to be diverted to European Union consumers.[37] It should be up to the courts of Member States to determine, in case-by-case basis, where the goods are actually destined for the European Union market.[38] With this in mind, goods, provided that no indications of suspicion of an IPR infringement occurs, must be allowed to pass in transit through the EU with no detention.[39]

[29] cf Hasik and Lapinska (n 6)
[30] cf Steppe (n 11) 98
[31] cf Hasik and Lapinska (n 6)
[32] cf Steppe (n 11) 98
[33] cf De Brauw Blackstone Westbroek (n 8)
[34] cf Hasik and Lapinska (n 6)
[35] ibid
[36] Joined Cases C-446/09 and C-495/09 *Koninklijke Philips Electronics NV v Lucheng Meijing Industrial Company Ltd and Others and Nokia Corporation v* Her Majesty's Commissioners of Revenue and Customs [2011] ECR I-12435, para 78
[37] ibid
[38] cf Hasik and Lapinska (n 6)
[39]cf Charvat (n 25)

To clarify, it is particularly difficult to for right-holders to obtain the necessary proof.[40] The justification of providing a proof stems from the fact that the penalty (i.e. destruction or abandonment of the goods) is rather grave.[41] In conclusion, a general risk of fraud is inadequate reasoning for those acts to be performed by customs authorities.[42] The author disagrees with the proof requirement as it is not quite convenient for the right-holders to fulfil.

Above all, estimation by the customs authorities whether the goods *could* be diverted onto the market in the EU seems to be subject to a likelihood.[43] In the CJEU's decision on *Philips* and *Nokia* cases, it was held, that the customs must be ascertained whether the goods are to be sold to a customer in the EU.[44] With attention to this, indications of goods of *becoming* involved in EU market by operators is a sufficient basis for customs authorities to act.[45] Furthermore, documents or correspondence related to the goods may offer guidance that the goods are envisaged to be diverted to EU consumers.[46] In this situation, commercial intentions are distinguished.[47]

Important to realise is that the goods from non-EU Member States must be subject to commercial act directed at EU consumers as only then the goods may infringe IPRs.[48] For this reason, the Court even enumerated indications such as no sound information when it comes to manufacturer or consignor;[49] lack of declaration when it comes to destination of the goods and where such declaration is required by the suspensive procedure requested, unwillingness to cooperate with the customs authorities or simply discovery of documents or correspondence in relation to the goods at hand suggesting a diversion of those goods to be directed to European Union consumers.[50]

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[40] cf Seville (n 3) 444
[41] ibid
[42] ibid
[43] cf Bausch (n 13) 1
[44] ibid
[45] cf Seville (n 3) 444
[46] cf Bausch (n 13) 1
[47] cf Seville (n 3) 444
[48] ibid
[49] Andrej Bukovnik, 'New EUTM Regulation: Implications for Goods in Transit' (*Petosevic*, 31 March 2016) <www.petosevic.com/resources/news/2016/03/3441> accessed 29 May 2018
[50] Joined Cases C-446/09 and C-495/09 *Koninklijke Philips Electronics NV v Lucheng Meijing Industrial Company Ltd and Others and Nokia Corporation v* Her Majesty's Commissioners of Revenue and Customs [2011] ECR I-12435, para 79

In general, the IP right-holder had to be able to prove that the goods were intended for the EU market in order to be successful when it comes to infringement cases.[51] Consequently, the Customs authorities could only hinder the goods in transit provided that they had reasons to believe that the goods are to be diverted onto the EU market.[52]

1.2. Interpreting Recital 8

Precisely, in the holdings of *Philips* and *Nokia* cases, the CJEU rejected the cogency of the, so called, manufacturing doctrine[53] derived from Recital 8 of the Regulation 1383/2003 and applied by some Member States,[54] especially by Dutch courts[55]. Important to realise, however, is that the wording of this Recital does not need to be interpreted in the light of the manufacturing fiction.[56] The author concludes that this *suggested* interpretation of the manufacturing doctrine is not in favour of supporting the entire doctrine.

The general idea of the manufacturing fiction is that the goods seized in transit should be assessed based on consideration whether IPRs are, in fact, infringed in the EU.[57] In the opinion of the author, putting emphasis on the fact whether IPRs are infringed in the EU, when it comes to goods in transit, is not a worthless standing point. The author determines that, on the one hand, the reasoning seems just. After all, infringing IPRs is, not only to not to be encouraged and to be eradicated, but also, is morally wrong[58]. However, as the Regulation 608/2013 is purely procedural in nature, only a review of the substantive law of the EU could change the fact that goods in transit are not under the operation of customs.[59]

The Recital 8 reads that proceedings, in order to establish whether an IPR has been infringed under national law of the Member State, will be conducted with reference to the criteria that is used in relation to the determination whether goods produced in that Member State infringe

[51] cf Bukovnik (n 49)
[52] ibid
[53] cf Rinnert (n 15)
[54] Irene Calboli and Edward Lee (eds), *Research Handbook on Intellectual Property Exhaustion and Parallel Imports* (Edward Elgar Publishing 2016) 265
[55] cf Charvat (n 25) 93
[56] Jan Rosén (ed), *Intellectual Property at the Crossroads of Trade* (Edward Elgar Publishing 2012) 20
[57] cf Hasik and Lapinska (n 6)
[58] Peggy Chaudhry and Alan Zimmerman, *The Economics of Counterfeit Trade: Governments, Consumers, Pirates and Intellectual Property Rights* (Springer-Verlag 2009) 46
[59] cf Torremans (ed) (n 2) 282

IPRs.[60] At this stage, author states that the problem of the manufacturing doctrine is revealed. Notably, the usage of phrase ‘with reference to’ does not create an impression of definite understanding of the Recital 8 in a way that, with absolute certainty, it supports the doctrine of manufacturing fiction. Another matter entirely is how should the role of recitals be understood. On the one hand, the Commission has referred to recitals as interpretative tools, whereas secondary law practise reveals that sometimes they do have supplementary normative role.[61] Be that as it may, the author determines that the using of the phrase ‘with reference to’ is fundamentally problematic as it is not clear and fails to provide transparency.

Nonetheless, the fact, that that the High Court of Justice for England and Wales abandoned the perception of the Recital 8 as an adequate legal basis for the manufacturing fiction,[62] is still somewhat surprising to the author. The author sees that it could be argued that there, nevertheless, is a sufficient legal basis to understand the Recital 8 in the way of manufacturing fiction as the wording leaves only subtlety amount of leeway. If ‘sufficiency’ is the measure to be filled where one reads the Recital 8, the author concludes that the wording of the Recital 8 sufficiently supports the idea of the manufacturing fiction. Yet, the issue how should the Regulation 1383/2003, in regards to the Recital 8, be interpreted was to be decided by the CJEU and the court indeed held that the Recital is not in line with the manufacturing fiction.[63]

However, in the event where another kind of settlement would have happened, the procedural nature would have been crippled.[64] Under those circumstances, the action of infringement, i.e. manufacturing, would have been augmented to any European country in which the customs detained the goods.[65] Another point important to realise is that the preservation of the manufacturing fiction would have been detrimental for the sake of the territorial principle which is a fundamental principle of the international IP law.[66] The author acknowledges that this ruling was important in order to maintain the consistency of the procedural body of law.

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[60] Council Regulation (EC) 608/2013 concerning customs enforcement of intellectual property rights and repealing Council Regulation (EC) 1383/2003 (Regulation 608/2013) [2013] OJ L181/15, recital 8
[61] European Commission Service Juridique – Quality of Legislation Team, *Complexity of EU Law in the Domestic Implementing Process* (19th Quality of Legislation Seminar, 2014) <http://ec.europa.eu/dgs/legal_service/seminars/20140703_baratta_speech.pdf> accessed 17 May 2018
[62] cf Calboli and Lee (eds) (n 54)
[63] ibid
[64] cf Rinnert (n 15)
[65] ibid
[66] cf Calboli and Lee (eds) (n 54) 23

With previously said in mind, a central issue to be reported in this paper is, whether a lot is condoned due to the fact that the Regulation 608/2013 is part of procedural law. At least, the author sees that provisional nature has a strong meaning. In case the Regulation is entirely provisional, it cannot impose substantive provisions. If the Regulation would, nevertheless, include substantive provisions, it would not be in compliance with the principle of transparency; centrally being focused to the quality of clearness, understanding and obviousness without doubt or ambiguity.[67] Hence, it can be said that even if a lot is forgiven due to the fact that the Regulation is provisional in nature, it also is appropriate.

In the case where batch of infringing goods are manufactured outside the EU, the most effective solution to tackle the infringement is to enable the possibility of seizure of these infringing goods at the outer borders of the EU.[68] The author agrees with this view as applying the manufacturing fiction is, to begin with, against the provisional nature of the Regulation 608/2013. Seizures of infringing goods help to protect right-holders' interests, and as well, safeguard general and economic and social interests when it comes to the EU and its consumers.[69] The author concludes that the seizures of infringing goods, is a better option than applying the manufacturing fiction.

The intrinsic meaning of EU border measures is to prevent IP-infringing products from entering EU channels of commerce and to safeguard right-holders' ability to enforce their IPRs.[70] Be that as it may, border measures should not go as far as hindering legitimate international trade.[71] With attention to this, there are dissenting opinions concerning the customs enforcement regime. On the one hand, it is claimed that the Regulation 608/2013 does not sufficiently strike a balance between the interests of right-holders to prevent infringements of their IP rights and the interests of traders to be engaged in legitimate international trade.[72]

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[67] Vasiliki Karageorgou, 'Transparency Principle as an Evolving Principle of EU Law: Regulative Contours and Implications' <www.right2info.org/resources/publications/eu-karageorgou-vasiliki-transparency-principle-as-an-evolving-principle-of-eu-law> accessed 3 May 2018
[68] ibid
[69] ibid
[70] cf Steppe (n 11) 92
[71] ibid
[72] Frank Eijsvogels, 'The New Customs Regulation, the Commission's Proposals Relating to Trademarks and Transit. Back to Previous Dutch Practice?' (2013) 3(4) Beneluxvereniging voor Merken- en Modellenrecht Bulletin <www.bmmbulletin.nl/uploads/pdf/BMM2013_3- 4(135-141).pdf > accessed 5 February 2018

The debate has even went as far as claiming that EU border seizure regime forms an excessively strong weapon for the right-holders to deploy against honest competitors.[73] This is argued, *inter alia,* on the basis that customs officers do not have the expertise to assess the relevant IP rights and they deal with detentions on an ad hoc basis under time pressure.[74] The author denies this view of EU border seizure regime as too strong weapon and the risk to exploit it for the detriment of others. The author argues this position to be exaggerated and it does not take in account how much good the EU border seizure regime, in fact, does.

[73] Florian Schwab, Rudolf Böckenholt and Volker Schmitz-Fohrmann, 'Border Seizure Measures in the European Union' (*Boehmert & Boehmert Anwaltspart-nerschaft mbB*, 18 May 2017) <www.worldtrademarkreview.com/Intelligence/Anti-counterfeiting/2017/Regional-focus/Border-seizure-measures-in-the-European-Union> accessed 17 May 2018

[74] ibid

2. Goods in Transit Problem

2.1. IPR Infringements in the Context of Goods in Transit

Markedly, it can be said that the Regulation 1383/2003 and even the Regulation before (i.e. Regulation 3295/94) were both applicable to goods in transit.[75] However, some scholars do not entirely accept this position.[76] To support the view that the goods in transit were covered, in the case *The Polo/Lauren Company LP* v *Pt. Dwidua Langgeng Pratama International –Freight Forwarders* (hereinafter *Polo/Lauren Company* case) the CJEU confirmed that the Regulation (EC) 2913/92 establishing the Community Customs Code (hereinafter Community Customs Code Regulation) was applicable to suspensive procedures, meaning, *inter alia,* external transit.[77]

In the case *Class International BV* v *Colgate-Palmolive Company and Others* (hereinafter *Class International* case) CJEU held that the mere physical introduction of goods in transit shall not imply that a trademark is imported or used in the course of trade in accordance with the interpretation of the Council Directive (EC) 89/104 to approximate the laws of the Member States relating to trademarks (hereinafter Directive 89/104).[78] To explain, this ruling indicates that the sole transit of counterfeit goods would not entail that an IPR infringement has taken place under the EU trademark framework.[79]

In the case *Montex Holdings Ltd* v *Diesel SpA* (hereinafter *Montex* v *Diesel* case) the Court ruled that the trademark owner can hinder goods in transit from passing through a Member State where the trademark is protected provided that the goods are subject to the act of a third party meanwhile being placed in the procedure of external transit that crucially refers of the goods being placed on the market in the Member State of transit.[80] The *Montex* v *Diesel* case was significant as it demonstrated that even if there is a risk of the infringing goods not arriving in the country of destination where the goods are not trademark protected, and accordingly, a possibility of goods ending up fraudulently marketed in the, so called, country of passage, there

[75] cf Steppe (n 11) 85
[76] cf Charvat (n 25)
[77] Case C-383/98 *The Polo/Lauren Company LP v Pt. Dwidua Langgeng Pratama International –Freight Forwarders* [2000] ECR I-2519, para 26
[78] Case C-405/03 *Class International BV* v *Colgate-Palmolive Company and Others* [2005] ECR I- 8735, para 44
[79] cf Steppe (n 11) 87
[80] Case C-281/05 *Montex Holdings Ltd* v *Diesel SpA* [2006] ECR I-10881, para 27

is still no adequate reason to prohibit the transit of goods at hand.[81] In contrast, the risk of deviance in relation to the transit market must be proved.[82]

Interestingly, coming back to the doctrine of manufacturing fiction, the entire idea of applying the doctrine was denied by some authors as it was in contradiction with the paragraph 40 in the *Montex* v *Diesel* case.[83] After all, paragraph 40 did expressly imply that none of the provisions of the Regulation 3295/94 in that time will introduce a new criterion in order to establish an existence of infringement when it comes to trademark law.[84] The author agrees that it was a clear statement in favour of being a regulation with purely procedural provisions, and that any other kind of decision would have compromised the procedural nature.

As already mentioned, the Regulation 608/2013 is purely procedural in nature, and because of this fact, only a review of the substantive law of the EU could change the fact that goods in transit are not under the operation of customs. In regards to this, on the positive side, due to the set of changes introduced by the EU Trademark Reform Package that came into force on October 1, 2017,[85] Council Regulation (EC) 2017/1001 on the European Union trademark (hereinafter EUTM Regulation)[86] is the looked for substantive law to deal with the issue of goods in transit, however, in the area of trademark law.[87]

Article 9, paragraph 4 reads that the trademark owner is entitled to prevent all third parties from bringing goods into to the EU, even in the case where goods are only in transit, provided that the goods and their packaging come from non-EU countries and bear similar, not to mention, identical mark.[88] However, given that the declarant or the holder of the goods is able to provide evidence showing that the EU trademark owner is not entitled to prohibit the placing of the goods on the market of the country of the final destination, the entitlement lapses.[89]

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[81] cf Steppe (n 11) 87
[82] ibid
[83] ibid
[84] Case C-281/05 *Montex Holdings Ltd* v *Diesel SpA* [2006] ECR I-10881, para 40
[85] cf Grübler (n 12)
[86] Council Regulation (EC) 2017/1001 on the European Union trade mark (EUTM Regulation) (2017) OJ L 154/1
[87] cf Torremans (ed) (n 2) 282
[88] Council Regulation (EC) 2017/1001 on the European Union trade mark (EUTM Regulation) (2017) OJ L 154/1, section 2, art 9, para 4
[89] ibid

To be more specific, the change in the EUTM Regulation shifted the burden of proof that was present by the Court of Justice in the ruling of the *Philips* and *Nokia* cases.[90] The burden of proof had already experienced softening, as the customs authorities were able to detain the goods in transit whenever certain indications[91], enumerated earlier in this research paper, were present. Currently, the new EUTM Regulation, coupled with EU Customs Code, allows customs authorities to detain goods in transit destined for non-EU countries.[92] Nevertheless, European Union Trademark holder (hereinafter EUTM holder) will not be successful in proving a trademark infringement given that the declarant or the holder of the goods is able to show that the EUTM holder does not have the right to prevent the use of the trademark in the destination country.[93]

Of course, the current change, in detaining goods in transit without less stringent conditions, is a positive modification. On the negative side, EUTM holders have to cautiously estimate the chances of initiating proceedings before the court in the matter of infringement of goods in transit as the case may be that the goods are not subject to IP protection in the country of destination.[94] This requires risk assessing from the EUTM holder which can be quite burdensome in case where the EUTM holder does not obtain documentation or information on the country of final destination within the given time limit to file an action.[95]

In addition to the EUTM Regulation, there is also a new Council Directive (EC) 2015/2436 to approximate the laws of the Member States relating to trademarks (hereinafter Directive 2015/2436).[96] This Directive contains identical article to the one in the EUTM Regulation covering the issues on goods in transit and burden of proof.[97] However, important to realise is that the EU governments have until January 14, 2019 to transpose the Directive into national trademark laws.[98]

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[90] cf Bukovnik (n 49)
[91] ibid
[92] ibid
[93] ibid
[94] ibid
[95] ibid
[96] Council Directive 2015/2436/EC of 16 December 2015 to approximate the laws of the Member States relating to trademarks (Directive 2015/2436) [2015] OJ L336/1
[97] ibid, art 10, para 4
[98] ibid, art 54, para 1

The transposition not until January 14, 2019 implies that in the present time, the Directive is not directly applicable. To demonstrate, at this point, national courts have to decide whether the goods in transit that bear signs similar to national trademark infringe national trademark rights and whether the customs authorities may detain the goods suspected of infringing national rights in case where no evidence is available on the matter whether the goods will be diverted on the EU market.[99]

As the change is only in the field of trademark law, it is stated that it is very probable that the customs authorities, as well as, national courts will continue to follow the principle in *Philips* and *Nokia* cases in the context of infringement of IPRs.[100] As a result, IP right-holders dealing with infringing goods in transit must take into consideration different types of IPRs, as well as, various national systems.[101]

In this regard, the protection of right-holders is dependent on whether the right-holders are covered by the EUTM Regulation and whether national trademark laws have transposed the Directive 2015/2436, and again, does the IPR infringement fall within the scope of national trademark rights.[102] Naturally, other types of EU or national IP rights are not covered in these trademark laws.[103]

2.2. Exchange of Information Solving the Goods in Transit Issue?

The Regulation 608/2013 introduces methods for information exchange between national customs authorities.[104] With this intention, it identifies the specific types of data and information to be exchanged.[105] Notably, it is a central electronic database which is in place and running in order to information on decisions concerning right-holders' applications for action to be exchanged.[106] Likewise, it contains information on national customs authorities' actions on

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[99] cf Bukovnik (n 49)
[100] ibid
[101] ibid
[102] ibid
[103] ibid
[104] Oskar Tulodziecki and others, 'New EU Regulation Strengthens Customs Authorities' Ability to Take Action against Counterfeits' (*K&L Gates*, 5 November 2013) < http://m.klgates.com/files/Publication/30d580a7-3147-41f7-8678-36e87c27693a/Presentation/PublicationAttachment/e8f9e7df-a310-498a-b50f-98f614fd45f2/IP_Procurement_and_Profile_Management_11052013.pdf> accessed 26 March 2018, 3
[105] ibid
[106] ibid

infringing goods.[107] To put it differently, the Regulation 608/2013 orders national customs authorities share information in central database when decisions, granting applications for action, are issued; when the period of protection for an application for action is extended, as well as, when a decision granting an application is suspended.[108]

Recital 21 of the Regulation 608/2013 reads about the TRIPS Agreement's importance at promoting exchange of information, in relation to WTO Members, between the customs authorities.[109] In addition, the Recital utters about the interest of the Commission and the customs authorities in the Member States to be able to share information on suspected infringements of IPRs with the authorities of third countries.[110] In practise, the Recital 21 allows customs in Member States to share information on suspicious goods with colleagues in the destination country so that seizure at the arrival time is enabled.[111] This is of importance, especially, where the goods are in transit via the territory of the EU but are, in fact, destined for, or originating to, third countries.[112]

Goods purposed to a non-EU country may be removed from international trade on the basis of cooperation between customs authorities from EU Member States and by those authorities of that purposed non-EU country in accordance with Article 69 of the TRIPS agreement.[113] The Article reads, in addition to the main message of members agreeing to cooperate with each other for the purpose of eliminating international trade in goods breaching of IPRs, that for the purpose of cooperation, members shall find and notify contact points in their administrations and must be kept on standby to the end that exchange of information is taking place in relation to trade in infringing goods.[114] Furthermore, according to Article 69, special emphasis must be put on counterfeit trademark goods, as well as, to pirated copyright goods.[115]

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[107] ibid
[108] ibid
[109] Council Regulation (EC) 608/2013 concerning customs enforcement of intellectual property rights and repealing Council Regulation (EC) 1383/2003 (Regulation 608/2013) [2013] OJ L 181/15, recital 21
[110] ibid
[111] cf Torremans (ed) (n 2) 280
[112] Council Regulation (EC) 608/2013 concerning customs enforcement of intellectual property rights and repealing Council Regulation (EC) 1383/2003 (Regulation 608/2013) [2013] OJ L 181/15, recital 21
[113] cf Charvat (n 25)
[114] Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, 1869 U.N.T.S. 299, 33 I.L.M. 1197 [1994], art 69
[115] ibid

The intention of the actual provisions concerning centralisation and exchange of information is to enliven the cooperation between customs authorities and to assist on coherent activities when it comes to anti-counterfeiting efforts.[116] With this in mind, the customs authorities can share information in relation to the potential cases of IPR-infringing goods with countries outside the EU territory, covering goods in transit as well.[117] As mentioned above, possible seizures can be executed through this exchange of information.

In comparison to the Recital 21, and Article 22, paragraph 1, of the Regulation 608/2013, a relatively big difference in chosen wordings can be detected. The Recital is more ascertain in its wording by stating that 'it should be possible' for the Commission and the customs authorities of the Member States to share information when it comes to suspected infringements of IPRs with third countries' authorities concerned.[118] Contrastingly, Article 22, paragraph 1, uses word 'may' in sharing certain data and information that is available to them, between the Commission and customs authorities and the relevant authorities in third countries.[119]

The author determines that this choice of using the word 'may' leaves actually a lot of discretion. The fact that the functioning of the cross-border cooperation is dependent on whether the customs actually exploit the opportunity to cooperate with their third country colleagues when needed, does certainly not make the issue at hand any easier.[120] In fact, it is certain that this hesitant wording does not do its bit to ensure that the Member States effectively liaise with customs administrations in third countries.[121]

The author sees that if the customs authorities do abstain from this kind of cooperation, most probably, also the seizures do not take place. After all, the author concludes that, not the exchange of information itself, but the seizures, are the thing that make the difference in practise, and which are of use to right-holders. Thus, author determines that with a good possibility, the exchange of information is a sufficient solution to deal with goods in transit, in regards to the second research question. Article 1, paragraph 2 of the Regulation 608/2013 can, in a way, salvage the situation, as it encases a general obligation on the Customs authorities in the Member

[116] cf Tulodziecki (n 104)
[117] cf Steppe (n 11) 96
[118] Council Regulation (EC) 608/2013 concerning customs enforcement of intellectual property rights and repealing Council Regulation (EC) 1383/2003 (Regulation 608/2013) [2013] OJ L 181/15, recital 21
[119] ibid, art 21, para 1
[120] cf Steppe (n 11) 96
[121] cf Torremans (ed) (n 2) 280

States to establish sufficient customs controls and to take proportionate identification measures to the end that acts infringing IPRs applicable in the EU would be hindered.[122] By the same token, this general obligation extends to cooperation with non-EU countries for the purpose of enforcement of IPRs.[123]

Another key point in exchange of information is that the exchange of data must be in accordance to the applicable provisions on data protection in the EU.[124] A closer look to paragraph 2 suggests that the data and information, mentioned in paragraph 1, *shall* be exchanged so that effective enforcement is safeguarded swiftly against shipments of goods breaching IPRs.[125] This data or information *may* relate to seizures, trends and general risk information, covering also goods that are in transit through the territory of the EU and which either are originating in, or destined for, third countries' territory at hand.[126] Markedly, this shared information may cover nature and quantity of the goods, suspected IPRs infringed, origin, as well as, destination of the goods and means of transportation.[127]

The author concludes that, in the hope that seizures are effectuated because of the exchange of information, central electronic database is useful and make the action more consistent among customs authorities. Still, it is stated that it is unclear how the cross-border cooperation is practically organised.[128] The author partly disagrees with the argument as cooperation covers both means and the actual exchange of information. The author ponders that the means (i.e. central electronic database) is there ready to be used. In this sense, no obscurity exists. However, the ambiguity seems to lie on the question whether the customs authorities actually make use of this central database in relation to third countries.

It is stated that Customs Action Plan to combat IPR infringements for the years 2013 to 2017, that was adopted by the Council on 10 December 2012, offers some aims that can solve the problem.[129] Nevertheless, the author is not certain whether these aims are actually put into

[122] Council Regulation (EC) 608/2013 concerning customs enforcement of intellectual property rights and repealing Council Regulation (EC) 1383/2003 (Regulation 608/2013) [2013] OJ L 181/15, art 1, para 2
[123] ibid
[124] cf Torremans (ed) (n 2) 280
[125] Council Regulation (EC) 608/2013 concerning customs enforcement of intellectual property rights and repealing Council Regulation (EC) 1383/2003 (Regulation 608/2013) [2013] OJ L 181/15, art 22, para 2
[126] ibid
[127] ibid
[128] cf Steppe (n 11) 96
[129] cf Torremans (ed) (n 2) 281

practise. A major chapter of the Action Plan pursues to tackle the trade in goods breaching IPRs all through the international supply chain by encouraging cooperation with key source, transit and destination countries.[130] In particular, this intensification of customs cooperation on IPRs touches upon non-EU countries like China and Hong Kong.[131]

[130] ibid
[131] ibid

3. New Introductions to the Scope of the Regulation 608/2013

3.1. Small Consignment Procedure – An Advancement?

The former Regulation 1383/2003 has had to encounter a revision process over the years.[132] In the middle was a request by EU Council, based on Resolution drafting a comprehensive anti-counterfeiting plan for EU, for adoption of an advanced legal framework on the enforcement of IPRs by customs.[133] Namely, this Council Regulation of 25 September 2008 on a comprehensive European anti-counterfeiting and anti-piracy plan, especially, concentrated on a few points, such as clarification when it comes to the situations where customs can take action, the provisions introducing small consignments in relation to goods suspected of infringing IPRs and the implementation of a simplified procedure where allowance of customs authorities to have infringing goods destroyed under the operation of customs is permitted, markedly, with no need to establish first whether an IPR infringement has taken place.[134] Furthermore, costs of storage and destruction of goods, as well as, concerns affecting right-holders in the perspective of their financial responsibilities under the Regulation 1383/2003 were raised.[135] Since then, the revision work has been active and IP right-holders have stressed the need to improve the enforcement of IPRs at the borders.[136] This enforcement of IPRs was aimed to do by increasing legal certainty in relation to economic, commercial and legal developments from the time of the Regulation 1383/2003.[137]

With attention to the EU Council's Resolution for a comprehensive anti-counterfeiting plan for the EU, this Resolution culminated, on 16 March 2009, in a Resolution on a new EU Customs Action Plan for the years 2009-2012 in accordance with EU's long standing policy and strategy on protection of IPRs.[138] To point out, this new Resolution, contemplating the Commission's Communication of 11 November 2010 on a Single Market Act, was intended to enhance operational performance, collaboration with industry, international cooperation, awareness-raising and to respond the problem arisen with internet sales.[139] Given these phases, ultimately

[132] Irini Stamatoudi and Paul Torremans (eds), *EU Copyright Law: A Commentary* (Edward Elgar Publishing 2014) 837
[133] Torremans (ed) (n 2) 213
[134] Annette Kur and Thomas Dreier, *European Intellectual Property Law: Text, Cases & Materials* (Edward Elgar Publishing 2013) 468
[135] ibid
[136] cf Tulodziecki (n 104) 1
[137] cf Schwab, Böckenholt and Schmitz-Fohrmann (n 73)
[138] cf Stamatoudi and Torremans (eds) (n 132)
[139] cf Torremans (ed) (n 2) 216

on 24 May 2011, the Commission proposed a new regulation on customs enforcement of IPRs, namely the Regulation 608/2013.[140]

Exactly, for the fear of changes, originating from the growth of e-commerce, steady generation of express freight systems[141] and counterfeit pharmaceuticals[142], Article 26 of the Regulation was effectuated.[143] Equally, the aim, of lessening administrative burden and cutting costs in relation to spread trade on internet of small consignments containing fake goods[144] for both right-holders and customs authorities,[145] favoured the need to have a specific article for small consignment procedure.[146] The procedure is applicable only for trademark, design and copyright cases.[147]

To be more specific, the Article 26 establishes a new type of simplified procedure based on which small consignments of counterfeit or pirated non-perishable goods may be destroyed by customs.[148] Small consignments are defined as a postal or express courier consignment that contains three units or fewer or has a gross weight of less than two kilograms.[149] Because of the request made by an applicant, customs authorities may suspend the release of the goods and destroy them without a need to inform the right-holder.[150] This is to say, right-holder's involvement is not required given that the right-holder has given his or her consent, and thereupon, opted into the procedure once filing the application for action by customs authorities.[151] This is a strategic decision from the right-holder.[152] Yet, customs authorities can liaise with right-holders under circumstances where more information is needed in determining whether IPR infringement has occurred.[153]

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[140] cf Stamatoudi and Torremans (eds) (n 132)
[141] ibid
[142] cf Tulodziecki (n 104)
[143] cf Stamatoudi and Torremans (eds) (n 132)
[144] ibid
[145] cf Hasik and Lapinska (n 6)
[146] cf Stamatoudi and Torremans (eds) (n 132)
[147] cf Bausch (n 13) 5
[148] cf Torremans (ed) (n 2) 216
[149] Council Regulation (EC) 608/2013 concerning customs enforcement of intellectual property rights (Regulation 608/2013) [2013] OJ L 181/15, art 2, para 19
[150] cf Bausch (n 13) 5
[151] Marius Schneider and Christophe Maillefer, 'How Europe Deals with Private Imports of Counterfeit and Pirated Goods' (2015) 10(4) Journal of Intellectual Property Law & Practice <https://academic-oup-com.uaccess.univie.ac.at/jiplp/article/10/4/262/809306> accessed 29 May 2018
[152] cf Schwab, Böckenholt and Schmitz-Fohrmann (n 73)
[153] Daniel Acquah, 'Trends on the implementation of the EU Customs Regulation for Better or for Worse?' (2015) 10(10) Journal of Intellectual Property Law & Practice <https://academic-oup-com.uaccess.univie.ac.at/jiplp/article/10/10/775/830178> accessed 29 May 2018

Important to realise in this regard is that the customs authorities cannot take, *ex officio,* action.[154] Be that as it may, above said does not have an adverse impact on the efficiency of the procedure as more than 90 per cent of the seizures in the EU happen, in fact, with prior application.[155] Correspondingly, both declarant and holder of the goods can raise an opposition within ten working days from the notification of the detention.[156] Should an objection to the destruction rise, by the declarant or holder, the right-holder will have to commence court proceedings to obtain delivery-up, as well as, destruction of the goods.[157] In this context, it is important to note that in these cases the right-holder's involvement is needed but this is more of an exception, as otherwise, the decisions, such as detention of goods or destruction of the goods, are purely activities belonging to the capacity of customs authorities.[158]

As shown above, it is easy to see that the Article 26 is adopted for the purpose of cutting the amount of work in relation to customs authorities.[159] The right-holder will not acquire the names or addresses of the consignor and consignee nor of any other persons.[160] In fact, as already emphasised, right-holder will not be notified of the decision by customs to suspend the release of a small consignment at hand nor when it comes to detainment of it.[161] In the same fashion, right-holder will not be informed of the quantity and nature of the goods except after they have been destroyed.[162]

In essence, the right-holders do not even play role in ascertaining whether the goods are counterfeit.[163] It is stated that customs can barely claim the destruction to take place under the responsibility of right-holders.[164] Yet, it is the right-holder who has to bear the costs[165], and so, it can be argued that there lies a contradiction. After all, in the final analysis, the right-holder is left with the *right* to receive a list of cases handled under the procedure and the duty to pay the costs from the destruction of the infringing goods.[166]

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154 ibid
155 ibid
156 cf Torremans (ed) (n 2) 216
157 ibid
158 cf Acquah (n 153)
159 cf Bausch (n 13) 5
160 ibid
161 cf Schneider and Maillefer (n 151)
162 ibid
163 ibid
164 ibid
165 cf Bausch (n 13) 5
166 cf Schneider and Maillefer (n 151)

The author still considers that the ultimate basis for the competence of the customs authorities is the opt in consent of a right-holder, and that their independency, when it comes to their activities, notwithstanding the presence of the right-holder, does benefit the right-holder as the counterfeit or pirated goods would be detained or destroyed in any case according to the wishes of the right-holder. Thus, the author concludes that because of the prior application made by the right-holder, as well as, for the sake of utmost benefit of the right-holder, and for the purpose of IPR protection, customs authorities can shift this responsibility for right-holders.

With attention to the independence of the customs authorities in relation to their activities, on the other hand, it means lost control in the side of right-holders.[167] The right-holders do not receive information about the importer, nor samples or photos of the goods.[168] What the right-holder may get on his or her request, is information about either actual or estimated quantity of destroyed goods, as well as, their nature.[169] Furthermore, some national customs authorities seem to continue on requesting explicit consent for destruction from the importer of small consignments regardless of the binding EU law.[170] For these reasons, small consignment procedure can be criticised.[171]

On the other hand, the fact, that no consent of a right-holder is needed for each destruction event, is said to benefit right-holders.[172] This is justified by the rise of internet shopping, and consequently, the increase in small consignments.[173] The author claims that this justification is valid and supports the author's original idea that the active operation, in the absence of right-holders, ultimately benefits the right-holders as the goods would, in any case, be detained and destroyed according to the wishes of the right-holder. The general issue seems to be that the right-holders cannot inspect whether the goods are counterfeit or not.

For right-holders, the criticism of lost control, on the other hand, stems from their desire of being in charge of their anti-counterfeit program and to inspect the authenticity or counterfeit of the goods as it is not always straightforward for customs authorities.[174] Yet, where a right-holder

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[167] ibid
[168] cf Schwab, Böckenholt and Schmitz-Fohrmann (n 73)
[169] ibid
[170] ibid
[171] cf Schneider and Maillefer (n 151)
[172] Richard Milchior and Séverine Charbonnel, 'EU Legal and Regulatory Update' (2013) 10(3-4) Journal of Generic Medicines <http://journals.sagepub.com/doi/pdf/10.1177/1741134313518672> accessed 18 May 2018, 239
[173] ibid
[174] cf Schneider and Maillefer (n 151)

wants to be actively involved and to bypass the lost control, the right-holder can decide, in fact, not to opt into the small consignment procedure, and alternatively, deal with the customs interventions under ordinary simplified procedure.[175]

The simplified proceeding is a "basic proceeding" applicable to all IPRs.[176] The author considers that this alternative, for right-holders to resort to ordinary simplified procedure, speaks on behalf of the small consignment procedure. With additional information that the right-holder possesses, and by sharing that to customs authorities, identifying counterfeits and the seizure of the goods following on from identifying, is easier.[177] Thus, the author considers that the cooperation between customs authorities and right-holder is highly advantageous. In this regard, valuable information may be information on identifying features and distribution channels.[178]

On the other hand, customs authorities are given, perhaps, unreasonably high responsibility to be able to determine the property of the goods in this regard, in particular, without the expertise of the right-holder.[179] At the same time, through the Regulation 608/2013, customs authorities' assisting tasks towards right-holders have increased.[180] Of course, it could be considered that for right-holders this is a good advantage. However, the author ponders that in case customs authorities' duties accumulate in unreasonable fashion, then customs authorities, in turn, may become overburdened. Consequently, there is a strong possibility that in this context, customs authorities may be more in the need of amendment in customs regime balanced against right-holders.

3.2. Culmination of the Scope All the Way to Circumventing Devices of Technology

The Regulation 608/2013 does not establish a possible existence of an infringement of an IPR.[181] Different from creating new substantive IPRs, it solely contains procedural rules for customs authorities.[182] Hence, it mandates the customs authorities in Member States to detain or suspend

[175] ibid
[176] cf Bausch (n 13) 1
[177] Alexander Cizek, 'Procedures and Strategies for Anti-Counterfeiting: Austria' (*World Trademark Review*, 18 May 2017) <www.worldtrademarkreview.com/Intelligence/Anti-counterfeiting/2017/Country-chapters/Austria> accessed 7 May 2018
[178] ibid
[179] cf Schneider and Maillefer (n 151)
[180] cf Steppe (n 11) 97
[181] cf Rinnert (n 15)
[182] cf Torremans (ed) (n 2)

the release of goods which are under suspicion of infringing trademark, copyright or related rights, design rights, patents, supplementary protection certificates (hereinafter SPCs), plant variety rights or protected geographical indications.[183]

The question whether an IPR infringement has arisen must be detected through European and national IPR rules.[184] Expressively, Recital 10 of the Regulation 608/2013 utters that the Regulation contains only procedural rules for customs authorities, and that for this reason, the Regulation does not establish any criteria for determining whether an infringement of an IPR has occurred.[185] With attention to this, the Recital 10 has a close connection to the Article 1 paragraph 6, which reads that the Regulation does not intervene with national or Union law on IP or the law of the Member States when it comes to criminal procedures.[186] Consequently, the determination of IPR infringements is based on relevant EU or national law.[187]

As a matter of fact, the scope of application of the former Regulation 1383/2003 underwent a systematic enlargement and succeeded to widen the area of action by customs authorities[188] and cover larger amount of IPR infringement to the earlier.[189] It is held that even the Regulation 1383/2003 had a very large scope.[190] Then again, the author considers that nothing else cannot be expected when one speaks about the law concerning customs enforcement and containing purely procedural provisions.

In the light of this logical development underwent by customs regime,[191] the scope of application of the subsequent Regulation covers also additional IPRs, such as trade names, geographical indications,[192] rights of creators of topographies of a semiconductor product, utility model rights and trade names.[193] Even future unitary patents are covered under the Regulation,[194] provided

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[183] ibid
[184] cf Charvat (n 25) 102
[185] Council Regulation (EC) 608/2013 concerning customs enforcement of intellectual property rights and repealing Council Regulation (EC) 1383/2003 (Regulation 608/2013) [2013] OJ L 181/15, recital 10
[186] ibid, art 1, para 6
[187] cf Charvat (n 25) 102
[188] cf Rinnert (n 15)
[189] cf Torremans (ed) (n 2)
[190] Lisa Peets nd Victoria Hanley, 'European Border Detention Orders' (*Trademark World #222,* November 2009) <www.cov.com/~/media/files/corporate/publications/2009/11/european-border-detention-orders.pdf> accessed 29 May 2018, 44
[191] cf Rinnert (n 15)
[192] ibid
[193] Inari Kinnunen, Gabrielle Hjelt and Henrik af Ursin, 'Finland' in Robert L Baechtold (ed), *The Intellectual Property Review* (Law Business Research Ltd 2014) 79
[194] cf De Brauw Blackstone Westbroek (n 8) 1

that they are entitled to protection as exclusive property rights under the national law of that particular Member State where customs action is initiated.[195] Some scholars even consider that due to the broadened scope of the Regulation, it covers now practically all prospective IPRs,[196] or *almost all* IPRs under European and national law.[197]

Even goods, designing to circumvent technological protection measures and which are aiming at easing a performance of an IPR infringement, fall, as well, within this advanced customs enforcement regime.[198] Moulds and matrices, specifically designed or adapted for the process of manufacturing of goods infringing IPRs, as well as, logos, labels, stickers, brochures, instructions for use, guarantee documents and packaging materials holding a counterfeit trademark or geographical indication, despite whether they are shipped together or alone in regards to the goods for which they are intended to belong, are also covered in the scope of the Regulation 608/2013.[199]

There can be no doubt that accompanying of these additional types of IP is one of the most significant changes in the Regulation 608/2013 in comparison to the former Regulation 1383/2003.[200] Exactly, the novel inclusion of devices circumventing a technology, in the Regulation 608/2013, was intended to have positive effects in contrast to the Regulation 1383/2003.[201] This was observable on the basis of the Regulation 608/2013 and Commission's annual reports from 2008 until 2013.[202] The meaning of these new incorporations is that the right-holders have, in fact, additional bases to defend their rights.[203] The author can conclude that, in this regard, the Regulation 608/2013 does not fail to provide improved protection for right-holders over the Regulation 1383/2003.

Important to realise is that the previous regulations did not include the provision concerning devices circumventing a technology.[204] For the purpose of protection of right-holders, adding

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[195] cf Torremans (ed) (n 2)
[196] De Brauw Blackstone Westbroek (n 8)
[197] Christopher Heath (ed), *Patent Enforcement Worldwide: Writings in Honour of Dieter Stauder* (3rd edn, Hart Publishing 2015) pt E, s 20, sub-s 1, para 2
[198] cf Torremans (ed) (n 2)
[199] ibid 214
[200] cf Tulodziecki (n 104) 2
[201] cf Acquah (n 153)
[202] ibid
[203] cf Tulodziecki (n 104) 2
[204] cf Acquah (n 153)

this provision is an important and up-to-date advantage regulated by the EU.[205] Only in case where circumvention devices actually infringed a trademark or copyright, they could be caught by the former regulations.[206] Even so, circumvention devices including mod chips and game copiers have been offered for sale throughout the world well before the Regulation 608/2013, constituting a risk to the detriment of right-holders.[207] Respectively, the problem of influx of such devices at the external borders of the Union was present.[208] All things considered, the author concludes that as the new provision affects a large portion of right-holders, it is a great development for the benefit of right-holders.

On a higher level, the inclusion of the provision was crucial as, in fact, all circumvention devices are, in a sense, 'suspect' goods.[209] In this regard, the issue is not only about indications but it is about 'reasonable indications'[210]. To explain, it is about something automatically infringing IPRs.[211] Hence, whenever such devices are found in a Member State and there are reasonable indications that their purpose is to allow or ease the circumvention of technology, they are in this fashion automatically infringing IPRs.[212]

The author values that the threshold is, in fact, quite low and considers this level of indication to be appropriate for the needed protection of right-holders. The Regulation 608/2013 has a big advantage compared to its predecessors when it comes to circumventing devices. With the former regulations, the problem was, that device had to bear a trademark or contain a copy in case of copyright material. Now, they can be intercepted by customs, merely, because their property is to allow or ease circumvention.[213] In conclusion, this is one point, according to which the Regulation 608/2013 cannot be deemed to fail to provide improved protection for right-holders over the Regulation 1383/2003 as the hypothesis was formulated.

However, with attention to the low threshold of circumventing devices, the level is not in all cases the same. This can be illustrated by case of *Nintendo Co., Ltd and Others v PC Box Srl and 9Net Srl.* Significantly, in this case, the CJEU held that circumvention devices are illegal under

[205] ibid
[206] ibid
[207] ibid
[208] ibid
[209] ibid
[210] ibid
[211] ibid
[212] ibid
[213] ibid

Union copyright rules, however, in order to determine whether they infringe copyright, in respect to the purpose of the devices, products or components[214] the proof concerning concrete use of third parties, must be taken into account.[215] This response of the CJEU spoke more in favour of Council Directive (EC) 2001/29 on the harmonisation of certain aspects of copyright and related rights in the information society (hereinafter Infosoc Directive).[216] In a word, Article 6 paragraph, 2 point b, as well as, Recital 48 utters that protection in relation to circumvention devices should not prohibit devices or activities which have significant purpose in commercial meaning or which have other use than circumventing technical protections.[217] Conversely, there is no corresponding provision in the Regulation 608/2013, and accordingly, proportionality is not required in customs matters, balanced against Infosoc Directive, in relation to assessment of circumventing devices.[218]

[214] Case C-355/12 *Nintendo Co., Ltd and Others v PC Box Srl and 9Net Srl* [2014] ECDR 6, para 39
[215] ibid, para 36
[216] cf Acquah (n 153)
[217] Council Directive (EC) 2001/29 of 22 May 2001 on the harmonisation of certain aspects of copyright and related rights in the information society (Infosoc Directive) [2001] OJ L 167/10
[218] cf Acquah (n 153)

4. Exclusions to the Scope of the Regulation 608/2013

4.1. Being a Genuine Good Does Not Count?

As has been noted, the Regulation 608/2013 covers all forms of infringements.[219] Although this may be true, parallel imports of goods manufactured by a right-holder or under her or his license, including overruns, are not included in the Regulation 608/2013.[220] This problem seems to stem from the fact that parallel imports and overruns are not fake goods but genuine goods.[221] Parallel imports are original goods that have been imported into a market and sold there but with no consent of the trademark owner on that specific market.[222] Likewise, overruns are genuine goods which are produced with the consent of the right-holder but not in the given number.[223]

The concepts of parallel imports and overruns are, at least in this context, that similar that they can be associated together when talking of exclusions to the scope of the Regulation 608/2013. They, both, only become illegitimate due to breach in contractual arrangements.[224] Parallel importation of such goods may be subject to both, prohibition by national and European IPR laws.[225] However, customs authorities may not act based on the Regulation 608/2013 but on national laws.[226]

To repeat, overruns and parallel imports are not in the scope of activity of the customs authorities. The underlying reasoning seems to be that it is impossible for customs authorities to examine a breach of contract.[227] This argument has been valid since the Regulation 1383/2003.[228] In the meantime, others think that purely 'manufacturing as genuine goods' is a sufficient reason to exclude them from the scope.[229] The author disagrees with this thinking and concludes this argument to be deficient. By the same token, trademarks acquired by use are outside the scope of the Regulation.[230] In as much as is an issue with the genuine goods, the

[219] cf Torremans (ed) (n 2)
[220] cf Rinnert (n 15)
[221] ibid 38
[222] ibid
[223] ibid
[224] ibid
[225] ibid
[226] ibid
[227] cf Heath (ed) (n 197) pt E, s 20, sub-s 3, para 12
[228] Thomas Cottier and Pierre Véron (eds), *Concise International and European IP Law: TRIPS, Paris Convention, European Enforcement and Transfer of Technology* (2nd edn, Kluwer Law International 2011) 393
[229] cf Hasik and Lapinska (n 6)
[230] cf Rinnert (n 15) 37

presence of trademarks acquired by use is abstruse to ascertain.[231] However, counting them in was much discussed.[232]

To point out, original goods in excess amount were included in early drafts of the Regulation 608/2013.[233] Up to the present time, it is stated that it is a lamentable fact that parallel imports, including overruns, are left aside from customs operation.[234] This result leaves protection of IPRs imperfect, and consequently, right-holders can only resort to civil proceedings.[235] The author argues in favour of inclusion of the genuine goods to the scope, and adds in relation to the first research question that in case of parallel imports, including overruns, the Regulation 608/2013 leaves them importantly out of the scope.

Customer officers together with trading standard authorities and advertising standards authorities, in view of the enforcement of IPRs, have a supplementary role.[236] Nonetheless, the role of customs officers is prominent when it comes to the main IP rights.[237] Not only, the role is prominent, but also, it is increasing in its nature.[238] The measures belonging to customs procedures are much more efficient in comparison to civil proceedings.[239] By and large, customs enforcement in relation to IPRs has been one area where the European Union has been one step ahead when it comes to their protection.[240]

Currently, European rules and national practises are not aligned and this can create misunderstandings for the entities in need of protection.[241] The author acknowledges that the situation is problematic and the opinions, in relation to it, volatile. Take case of Germany, border measures according to German law does apply to parallel imported goods from third countries, given that the IP right is not exhausted, and that there is present an ‘obvious infringement of an IP right’.[242] Under those circumstances, if the underlying reason appears to be that customs authorities shall not deal with genuine goods, it remains unclear why do customs authorities then

[231] ibid
[232] ibid
[233] cf Tulodziecki (n 104) 2
[234] cf Rinnert (n 15) 37
[235] cf Hasik and Lapinska (n 6)
[236] Justine Pila and Paul Torremans, *European Intellectual Property Law* (Oxford University Press 2016) 604
[237] ibid
[238] ibid 610
[239] cf Hasik and Lapinska (n 6)
[240] cf Vrins (n 9) 118
[241] cf Rinnert (n 15) 38
[242] cf Heath (ed) (n 197), pt E, s 20, sub-s 3, para 13

deal with genuine goods on the basis of national laws.[243] Apparently, Member States want to bridge the cap with the additional national measures by granting customs authorities an ability to take action under circumstances where the directly applicable regulation is not falling within its scope.[244] The author ponders that this practise makes the activities of the customs authorities inconsistent.

Even though this new European Union regime provides right-holders a broader range of tools in order for them to enforce their IPRs on borders,[245] customs seizure system is not complete and could be more efficient.[246] As shown above, the control, in regards to the implementation of the Regulation 608/2013 by customs authorities in Member States, is lacking.[247] The Regulation is directly applicable and binds all 28 Member States, and supersedes national law on customs action.[248] Of course, as already pointed out, national law may be applied in regards to goods which are not covered under the Regulation 608/2013, such as parallel imports.[249] The Regulation 608/2013 is an uniform European law, and on a larger scale, part of European customs regime.[250] Generally speaking, the Regulation 608/2013 does contain provisions requiring to be applied in a coherent manner when it comes to practise.[251] Yet, interpretation of customs authorities do leave a lot to chance resulting in a variety of outcomes.[252] In the final analysis, the whole European Union customs enforcement regime is adversely affected.[253]

4.2. Is Personal Luggage of Any Relevance?

By the same token as parallel imports and overruns, goods transported in personal luggage, as long as there are no indications that they are of commercial nature, are excluded from the scope of the Regulation 608/2013.[254] Nevertheless, traveller's personal luggage may constitute an influx of counterfeit goods into the EU.[255] European Union is an extremely attractive business

[243] cf Rinnert (n 15) 38
[244] cf Peets and Vanley (n 190)
[245] cf Seville (n 3) 513
[246] cf Hasik and Lapinska (n 6)
[247] ibid
[248] cf Heath (ed) (n 197), pt E, s 20, sub-s 1, para 2
[249] ibid
[250] ibid
[251] cf Hasik and Lapinska (n 6)
[252] cf Rinnert (n 15) 38
[253] ibid
[254] cf Torremans (ed) (n 2) 214
[255] ibid

market and the main target for counterfeiters.[256] In a number of cases, EU is a transit territory.[257] In this regard, chiefly, the location and traffic facilities dictate the importance of the ports.[258] Most compelling evidence, is ports of Antwerp, Rotterdam, Hamburg, where the commerce is densely pursuit between Far East and Europe.[259] It is stated that as soon as goods have entered the EU, their further dissemination will be troublesome to control as the border controls between Member States have been abolished.[260] Consequently, on the one hand, it can be claimed that the exemption enables unencumbered passenger traffic, alongside, it may multiply flow of counterfeit goods in the EU.[261] The author sees it problematic that personal luggage is excluded from the scope resulting in multiplied flow of counterfeit goods.

Traveller's personal luggage has been exempted from the scope of predecessors of the Regulation 608/2013 as well.[262] The Commission, Parliament and Council have confirmed that the value of the goods shall not count when it comes to the prevention of their entry into the customs territory in the EU but rather whether the goods are likely to be considered as commercial traffic.[263] The author supports this view as with this criterion much more of the influx of counterfeit goods can be tackled into.[264] To clarify, the legislative solution to leave goods, transported by passengers in their personal luggage, outside the scope, has been present in the former Regulation 1383/2003 as well.[265] Thus, at the present time, the situation with traveller's personal luggage in the Regulation 608/2013 is, in fact, identical in relation to the Regulation 1383/2003. Goods, hold in passengers' personal baggage, are not subject to customs operation unless they are not intended for personal use.[266] There is a definite possibility that this interpretation of 'personal use' varies locally[267], which seems to be the stumbling block in often cases when it comes national customs authorities.

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256 cf Schwab, Böckenholt and Schmitz-Fohrmann (n 73)
257 Dorothee Altenburg, 'Transit of Counterfeit Goods in the EU: What's the Effect of Philips and Nokia?' (2012) 67(19) International Trademark Association Bulletin <www.inta.org/INTABulletin/Pages/TransitofCounterfeitGoodsintheEUWhat%E2%80%99stheEffectofPhilipsandNokia.aspx> accessed 15 March 2018, 2
258 ibid
259 ibid
260 Kur and Dreier (n 134) 462
261 ibid
262 cf Schneider and Maillefer (n 151)
263 ibid
264 ibid
265 cf Tulodziecki (n 104) 2
266 ibid
267 ibid

Adjacent to what was said above, under both Regulations, the customs are competent to take border measures against goods hold in traveller's personal luggage provided that there are material indications hinting that the goods form a part of commercial traffic.[268] This deliberation is left to the national customs authorities.[269] In this regard, the focus of 'discretion' is most likely to include: nature of the goods, quantity of the goods, frequency of importation and commercial documents accompanying the goods.[270] It is stated that this leads to varying outcomes among Member States.[271] Notably, these outcomes influence even on what will be the general stance for right-holders' IPRs in each Member State.[272]

Notably, Council Directive (EC) 2007/74 on the exemption from value added tax and excise duty of goods imported by persons travelling from third countries (hereinafter Directive 2007/74) defines imports of a non-commercial character as those which take place occasionally and are exclusively purported for personal or family use of the traveller or goods intended as presents.[273] Equally important, this Article 6, also, reveals that the nature and quality of goods are indicators of commercial origin.[274] Author considers this to be very useful definition when determining the nature of goods hold in personal luggage of traveller. Although, there is still the 'personal', or respectively, 'family use' as an indicator, the underlying problem seems to be the interpretation of personal and family use, or being part of commercial traffic in the other end. Thus, according to this view, even the lack of an explicit definition of traveller's personal luggage, in the Regulation 608/2013, is not that problematic, although the author sees this troublesome as well.

In like manner as it is regretted that parallel imports, including overruns, are left aside from the customs operation, so is the case with traveller's personal luggage respectively.[275] The author agrees with this view and admits that the answer to the first research question appears to be that the scope leaves important area outside of it, and that is, on the top of parallel imports and overruns, traveller's personal luggage. Meanwhile the drafting process of the Regulation

[268] Olivier Vrins and Marius Schneider (eds), *Enforcement of Intellectual Property Rights Through Border Measures: Law and Practice in the EU* (2nd edn, Oxford University Press 2012) 173
[269] ibid
[270] ibid
[271] cf Schneider and Maillefer (n 151)
[272] ibid
[273] Council Directive 2007/74/EC of 20 December 2007 on the exemption from value added tax and excise duty of goods imported by persons travelling from third countries (Directive 2007/74) [2007] OJ L 346/6, art 6
[274] ibid
[275] cf Rinnert (n 15) 37

608/2013, many right-holders' associations were strongly opposed to including this personal allowance provision in the final version.[276] First, they argued that the exception enables a free pass for travellers to buy and import infringing goods abroad as their sale is illegal in their own countries.[277] Second, it was held that the exemption is in contradiction with the general illegality of counterfeit goods.[278] Author agrees with the second problematic view according to which a small amount of counterfeiting would be acceptable. However, when it comes to the first argument, that use is still within the scope of personal use allowance. The second argument is clearly tackling *in* the very problem where something is not allowed, but in another occasion, suddenly is not a problem and permissible. For sure, the personal allowance exception cannot be justified by the free movement of goods principle as it does not apply at the external borders of the EU.[279]

The exclusion of traveller's personal luggage is allowed by Article 60 of the TRIPS Agreement but is not obligatory.[280] This exemption has always been present in customs enforcement regime, however, it has always been heavily contested.[281] The justification has been lying in avoiding disruption of the clearing of goods contained in passengers' personal baggage.[282] There is a view introduced according to which infringing goods transported in traveller's personal luggage would be also subject to special simplified procedure of those kind of goods.[283] On the positive side, it would be a statement for the present allowance on purchasing counterfeit goods, even if they are of non-commercial nature.[284]

[276] cf Schneider and Maillefer (n 151)
[277] ibid
[278] ibid
[279] ibid
[280] ibid
[281] ibid
[282] ibid
[283] ibid
[284] ibid

5. Consistency of the Regulation 608/2013

5.1. Establishing Links to TRIPS Agreement and IPR Enforcement Directive

For the purpose of the paper, in which center is the Regulation 608/2013, it is important to review the origin of the bigger context of the enforcement of IPRs. Even though, as already emphasised, the Regulation 608/2013 is a main instrument preventing the release of counterfeit goods for free circulation and an uniform European law, importantly, part of European customs enforcement regime, IPR Enforcement Directive is, nevertheless, the constitution of customs enforcement regime.[285] Even though originating already from the year 2004, it still is considered to be the most extensive piece of EU legislation in the context of counterfeiting and piracy matters.[286]

After the intense imposing of IP regulations, the enforcement issues were followed by the EU.[287] This is important, as for one thing, substantive rules essentially require for effective enforcement to establish the very functioning of IPRs.[288] In this regard, the TRIPS Agreement was entered into, and later, the IPR Enforcement Directive came into force on 20 May 2004.[289] At the present time, the enforcement of IPRs may be divided to international and regional framework.[290] The IPR Enforcement Directive is an important legal instrument in the meaning of procedural harmonisation.[291]

On the whole, the IPR Enforcement Directive harmonises minimum means to right-holders and public authorities in order to combat against infringements of IPRs.[292] In detail, it aims at efficiently combating infringements of IPRs, prescribes uniform procedural standards when it comes to the disclosure rules, as well as, contains in its scope preservation of evidence,

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285 cf Stamatoudi and Torremans (eds) (n 132) 530
286 ibid
287 Hans-W Micklitz and Andrea Wechsler (eds), *The Transformation of Enforcement: European Economic Law in a Global Perspective* (Hart Publishing 2016) 180
288 ibid
289 Council Directive (EC) 2004/48 on the enforcement of intellectual property rights {2004} OJ L195/16 (Directive 2004/48) art 21
290 Tanya Aplin and Jennifer Davis, *Intellectual Property Law: Text, Cases and Materials* (3rd edn, Oxford University Press 2017) 48
291 Adam Lazowski and Steven Blockmans (eds), *Research Handbook on EU Institutional Law* (Edward Elgar Publishing 2016) 426
292 Caroline Casalonga and Karina Dimidjian-Lecomte, ‘Anti-counterfeiting 2010 – A Global Guide’ (*World Trademark Review*) <www.worldtrademarkreview.com/Intelligence/Anti-Counterfeiting/2010/Country-chapters/European-Union> accessed 18 May 2018, 39

provisional rules, injunctions and cost of litigation.[293] Moreover, it establishes a general framework for exchange of information and administrative cooperation between national authorities and with the Commission.[294] Point often overlooked in this regard is, however, that the EU customs practises still have certain peculiarities in each Member State, not to mention, civil and criminal procedures in Member States do differ from each other.[295]

The TRIPS Agreement imposes minimum standards for enforcement of IPRs for World Trade Organisation (hereinafter WTO) members,[296] including Member States of the EU and the EU itself.[297] As said above, afterwards, Member States of the EU have implemented the IPR Enforcement Directive.[298] The TRIPS Agreement has addressed criminal enforcement chiefly against 'cases of wilful trademark counterfeiting or copyright piracy on a commercial scale'.[299] This idea was replicated in the Regulation 1383/2003, which is now replicated in the Regulation 608/2013.[300]

Recital 10 of the IPR Enforcement Directive utters its objective to be approximating legislative systems in a way that it ensures a high, equivalent and homogenous level of protection in the internal market.[301] Different from the Regulation 608/2013, the IPR Enforcement Directive leaves defining of IPRs obscure.[302] In 2005, the Commission issued a statement in relation to the matter of which IPRs should be covered by the Directive.[303] Nevertheless, this enumeration is not binding nor exhaustive.[304] In the meantime, it is held that the IPR Enforcement Directive is the only EU legal instrument which covers all IPRs including copyright and industrial property rights with no distinction.[305]

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293 cf Lazowski and Blockamns (eds) (n 292)
294 cf Stamatoudi and Torremans (eds) (n 132) 530
295 cf Casalonga and Dimidjian-Lecomte (n 293) 40
296 cf Aplin and Davis (n 291)
297 Folkert Wilman, *Private Enforcement of EU Law Before National Courts: The EU Legislatice Framework* (Edward Elgar Publishing 2015) 116
298 cf Aplin and Davis (n 291) 49
299 Michael Blakeney, *The Protection of Geographical Indications: Law and Practice* (Edward Elgar Publishing 2014) 362
300 ibid
301 Council Directive (EC) 2004/48 on the enforcement of intellectual property rights {2004} OJ L195/16 (Directive 2004/48)
302 cf Aplin and Davis (n 291) 49
303 cf Wilman (n 298) 112
304 ibid
305 cf Stamatoudi and Torremans (eds) (n 132) 533

The IPR Enforcement Directive is to be comprehended in the background of some other relevant EU provisions concerning enforcement of IPRs.[306] In this regard, the IPR Enforcement Directive can be interpreted in the light of the Regulation 608/2013.[307] The Regulation 608/2013 sets the basis for cooperation between private parties holding IPRs, as well as, customs authorities.[308] Similarly, the TRIPS Agreement deals with rules on the enforcement of its general obligations by private parties.[309] The TRIPS Agreement is interconnected in the IPR Enforcement Directive's international law context as well.[310] In particular, EU has effectuated its obligations under the TRIPS agreement via the IPR Enforcement Directive.[311] In this respect, the IPR Enforcement Directive has also the capability to increment in order to further conform with the TRIPS Agreement.[312]

The Commission has oftentimes emphasised the connection between the TRIPS Agreement and IPR Enforcement Directive and instructed EU law to be interpreted according to the TRIPS agreement as much as it is possible.[313] Conversely to the Regulation 608/2013, the TRIPS agreement includes substantive rules on the protection of IPRs.[314] The IPR Enforcement Directive, discussed earlier, contains both substantive and procedural rules, although, the procedural ones are more prominent.[315]

Article 2, dealing with the scope of the Directive, considers the matter by uttering that the directive applies to *any infringement of IPRs* in compliance with Community law and/or national law of the Member State.[316] Furthermore, in this regard, Recital 13 of the IPR Enforcement Directive advices to define the scope as widely as possible.[317] For this reason, the problematic outcome of the Directive is that the scope regarding which IPRs it covers, is never evident.[318] The author establishes this is problematic in the viewpoint of right-holders' rights as the directive does not offer full transparency in this regard. Some scholars conclude that the IPR

[306] cf Wilman (n 298) 115
[307] ibid
[308] ibid
[309] ibid 116
[310] ibid
[311] ibid
[312] ibid
[313] ibid
[314] ibid
[315] cf Stamatoudi and Torremans (eds) (n 132) 530
[316] Council Directive (EC) 2004/48 on the enforcement of intellectual property rights {2004} OJ L195/16 (Directive 2004/48) art 2
[317] ibid, recital 13
[318] cf Wilman (n 298) 112

Enforcement Directive applies *apparently* to all community and/or national IPRs.[319] Although this may be true, the author determines that an assumption like this solves the question, perhaps, in a satisfactory way but not, so to say, certainly.

In the light of author's interpretation, it is important to enumerate the IPRs that are included in the regulation's or directive's scope. As the objective of the IPR Enforcement Directive is to provide an equivalent and standard degree of protection for IP everywhere in the EU by composing a minimum degree of harmonisation,[320] the author ponders that the lack of list of protected IPRs do definitely not help in the fulfilment of the objective. The author is slightly surprised that the IPR Enforcement Directive is considered to be very advanced EU legislation. Although, the Directive must be credited on the fact that it is said to cover even IPRs which are not covered at the EU level.[321]

The aims, and the advantages in this respect, of the Regulation 608/2013 can be quite different depending on what is the viewpoint. For the most part, this paper focuses on the right-holders' rights perspective. Even so, with attention to what was earlier said, the Regulation 608/2013 as a 'main instrument' aims to prevent counterfeit goods and pirated goods from entering the common market, and respectively, preventing their marketing.[322] For this reason, the Regulation 608/2013 does implement Articles 51-60 of the TRIPS Agreement.[323] Accordingly, signatories must stipulate variety of procedures and remedies in relation to enforcement of rights, to enumerate, interim measures such as pre-trial injunctions coupled with final injunctions, as well as, awards of damages.[324] Given that trademark or copyright infringement has occurred on a commercial scale, criminal sanctions come into the picture.[325] In the same fashion, signatories must take action in view of security of the borders against importation or exportation of infringing, as well as, counterfeit goods.[326]

It is a quite separate issue, yet in regards to goods in transit, that the Regulation 1383/2003 was claimed to compromise the freedom of transit principle in General Agreement on Tariffs and

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[319] George Cumming, Mirjam Freudenthal and Ruth Janal, *Enforcement of Intellectual Property Rights in Dutch, English and German Civil Courts* (Kluwer Law International 2008) 61
[320] ibid
[321] cf Stamatoudi and Torremans (eds) (n 132) 530
[322] cf Pila and Torremans (n 237)
[323] ibid
[324] cf Aplin and Davis (n 291) 48-49
[325] cf Aplin and Davis (n 291) 49
[326] ibid

Trade of 1994 (hereinafter GATT).[327] These assertions were made by India and Brazil on May 19, 2010 as these countries filed a request for consultation at the WTO against the EU and Netherlands on alleged breaches in respect to articles concerning freedom of transit, as well as, publication and administration of trade regulations in GATT and the TRIPS agreement.[328] By the time in July 2011, India and EU did reach the Understanding containing principles for the direction to be followed when it comes to border enforcement of IP in the EU.[329] As a result from the *Philips* and *Nokia* cases, coupled with consultations within WTO, the Regulation 608/2013 was to be under preparation.[330] Nevertheless, the acceptance of the proposal was aloof from the beginning.[331]

As stated in the beginning of this chapter, the IPR Enforcement Directive is considered to be the most comprehensive piece of legislation in counterfeiting and piracy matters, as well as, the constitution of customs enforcement regime. With this in mind, the Regulation 608/2013, in force as of 1 January 2014[332], is a main instrument to prevent the release of counterfeit goods' free circulation.[333] In addition, the Regulation 608/2013 is the most cost-effective and strongest tool in order to combat counterfeiting as it confers the investigative powers for customs authorities to operate in the Union.[334] The importance of IPR Enforcement Directive lies on its development to harmonise and introduce minimum standards dealing with provisional measures, preservation of evidence, calculation of damages, information disclosure and recall.[335] However, it is problematic that the Directive does not list the IPRs it covers. The author determines that, all in all, it is hard to set these pieces of legislation, against each other for the purposes of comparing. Hence, the author concludes that these instruments reinforce each other and are important parts in forming the EU customs enforcement regime.

[327] cf Charvat (n 25) 101
[328] ibid
[329] ibid
[330] ibid
[331] ibid
[332] Council Regulation (EC) 608/2013 concerning customs enforcement of intellectual property rights and repealing Council Regulation (EC) 1383/2003 (Regulation 608/2013) [2013] OJ L 181/15, art 40
[333] cf Pila and Torremans (n 237)
[334] cf Schwab, Böckenholt and Schmitz-Fohrmann (n 73)
[335] ibid

5.2. Enforcing IPRs in Practise

The way in which the Regulation 608/2013 aims to, as well, protect right-holders, is by facilitating the cooperation between right-holders and customs authorities.[336] In order to enforce their rights, right-holders must file an application, meaning a 'tip-off', coupled with a description of the good.[337] Should the application become granted, the release of goods suspected of infringing an IPR will be suspended before the infringement has been confirmed or the goods may be destroyed.[338] At this instant, the right-holder becomes the 'holder of the decision'.[339]

Surprisingly, the Regulation 608/2013 has stricter rules in relation to applicants for customs action, and at the same time, farther-reaching sanctions in possible non-compliance.[340] Given that the applicant has not, in a timely manner (i.e. within ten working days) made a supplement to his or her incomplete application, the customs authorities are obliged to reject the application.[341] By the same token, customs authorities are authorised to revoke their decisions or suspend their actions in case the IP right-holder does not meet certain obligations such as obligations to provide information or compensate certain costs.[342] The author concludes that even though there is no such article in the previous Regulation 1383/2003, those stricter rules towards right-holders are not encumbering right-holders as it is inherent for EU legal acts to impose sanctions when it comes to non-compliance.

In detail, for border controls in the EU, the application is filed directly at the central, national customs authority ('Competent Customs Department') in a Member State.[343] The process, for right-holders, of requesting customs action against infringing goods is described to be easy,[344] and the filing of an application is free of charge.[345] With this in mind, the Annexes to the implementing Regulation to the Border Measures Regulation does contain readily available

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[336] cf Charvat (n 25) 101
[337] ibid
[338] cf Seville (n 3) 513
[339] Customs Administration of the Netherlands 'Intellectual Property Rights (IPR)' (*Tax and Customs Administration* April 2014) <https://download.belastingdienst.nl/douane/docs/intellectual_property_rights-ipr_do9531z3fdeng.pdf> accessed 25 March 2018
[340] De Brauw Blackstone Westbroek (n 8)
[341] ibid
[342] ibid
[343] cf Heath (ed) (n 197)
[344] cf Torremans (ed) (n 2) 214
[345] cf Seville (n 3) 513

standard application forms for right-holders in order to request border measures by customs authorities.[346]

The very meaning of the Regulation 608/2013 has been to aim at lowering administrative burden of enforcement.[347] However, only one national and one Union application can be made for each property right.[348] Taking account features, such as being free of charge, coupled with readily available standard application forms, the filing of application itself in the case of right-holders is made easy. Thus, the treatment of right-holders seems to be secured at least from the filing point of view. The obscurities are more likely to occur where the action of customs authorities is taking place, and importantly the question lies, by which legal basis the customs authorities are acting; on the basis of national law or EU law.

The so called 'Union application' comes into the picture whenever there is a title conferring to EU-wide protection.[349] To demonstrate, these are namely, Community trademarks, Community designs, Community plant variety rights or geographical indications.[350] Contrastingly to national application, right-holders can file Union application in any Member State, meaning that they can request action in any other Member State than their own national country as well.[351] Whether a national or a Union application, the application has the maximum term of validity of one year but the term can be extended.[352] The quality in relation to the information in right-holders' applications has been enhanced through the Regulation 608/2013.[353]

It must be noted that the customs authorities can initiate action by random checks.[354] Customs authorities can, *ex officio*, take custody of goods and invite right-holders to file an application for action.[355] Given that customs authorities have incurred costs because of taking action, right-holders must provide reimbursement.[356] Correspondingly, in all cases, right-holders must

[346] cf Torremans (ed) (n 2) 214
[347] cf Seville (n 3) 513
[348] Council Regulation (EC) 608/2013 concerning customs enforcement of intellectual property rights and repealing Council Regulation (EC) 1383/2003 (Regulation 608/2013) [2013] OJ L 181/15, art 4, para 4
[349] cf Torremans (ed) (n 2) 214
[350] cf Torremans (ed) (n 2) 214-215
[351] cf Torremans (ed) (n 2) 215
[352] cf Customs Administration of the Netherlands (n 340)
[353] cf Steppe (n 11) 97
[354] cf Pila and Torremans (n 237)
[355] cf Torremans (ed) (n 2) 215
[356] cf Seville (n 3) 513

anticipate full responsibility for the seizures initiated at their request.[357] Most probably this means a motion to ask customs to inspect suspected goods in order to determine whether the goods are counterfeit, and consequently, a seizure may follow.[358] On the positive side, the right-holder has the right to seek compensation from the infringer or even any other party,[359] such as importer or its agents,[360] liable under the law of the Member State where the goods were detained.[361]

For the sake of right-holders' rights, crucial for this research paper, in the same fashion as the Regulation 1383/2003, the Regulation 608/2013 enables right-holders to receive samples for the purposes of analysis from the customs authorities.[362] However, the difference between Regulation 1383/2003 and Regulation 608/2013 lies on the condition put on the former Regulation and abolished in the new one.[363] Chapter III on the conditions governing action by the customs authorities and by the authority competent to decide on the case, Article 9, paragraph 3 sets a condition according to which the sampling by the customs office shall take place in compliance with the rules in force in the Member State in question.[364] This removal of article has been anticipated to have positive effects as it most likely widens the scope of the provision as there is no judicial interference.[365]

Important to realise, however, is that the samples, for the purpose of analysing possible IPR infringement, may be provided only for certain types of IPRs.[366] Such IPRs are namely trademark rights, copyrights and design rights.[367] Contrastingly, patent rights and plant variety rights are not included in this respect.[368] Another matter altogether is the right-holder's opportunity to inspect the goods while the goods are detained by customs authorities.[369] This right to inspect goods remained exploitable for them regardless of the nature of the IPR

[357] cf Torremans (ed) (n 2) 215
[358] cf Cizek (n 177)
[359] cf Seville (n 3) 513
[360] cf Tulodziecki (n 104) 4
[361] cf Seville (n 3) 513
[362] De Brauw Blackstone Westbroek (n 8)
[363] ibid
[364] Council Regulation (EC) 1383/2003 of 22 July 2003 concerning customs action against goods suspected of infringing certain intellectual property rights and the measures to be taken against goods found to have infringed such rights (Regulation 1383/2003) [2003] OJ L 196/7 ch III, art 9, para 3
[365] De Brauw Blackstone Westbroek (n 8)
[366] ibid
[367] ibid
[368] ibid
[369] ibid

involved.[370] Yet, the Regulation 608/2013 does not specifically enumerate which acts are covered.[371] Similar to the issue with the lack of enumeration of IPRs when it comes to the IPR Enforcement Directive, the author concludes, that it is problematic for the right-holders that it is not explicitly stated which acts to inspect are covered in the Regulation 608/2013. This is because the author argues that inspecting the goods is, after all, quite important matter for right-holders for the purposes of analysis. This deficiency, for its part, reveals that the Regulation 608/2013 fails to provide legal certainty for right-holders.

[370] ibid
[371] ibid

Résumé

This thesis aimed at clarifying the complexity of customs enforcement regime and the specific wordings chosen in relevant customs enforcement secondary laws. The main focus of the work was to detect the level of protection when it comes to IP right-holders. For this reason, the author chose, especially for the topic, the Regulation 608/2013, currently in force, as well as the former Regulation 1383/2003 and case law. In this context, the author, aimed to address three research questions and to study the validity of the hypothesis formed by the author in the beginning. The research questions were first, does the scope of the Regulation 608/2013 leave important areas outside (i.e. parallel imports, goods in transit, overruns and traveller's personal luggage)? Second, the author wanted to know, whether exchange of information is a sufficient solution to the concern of goods in transit. The third question was; does the Regulation 608/2013 fail to provide legal certainty, and in fact, create new gaps? According to the author's hypothesis, the Regulation 608/2013 fails to provide improved protection over the Regulation 1383/2003 for right-holders.

In the first chapter, the author studied the consistency by talking altogether about suspicion, indications and burden of proof. The author concluded that talking about indications and suspicion of infringement of IPR in the judgment do not create problem itself. This is because these two concepts; requirement of a concrete, material risk effectuating a suspicion, as well as, indications of fraudulent diversion of goods into the European Union market are quite close to each other. Another matter entirely is involving burden of proof whether an infringement of an IPR has occurred since the author determines that the threshold there is much higher in comparison to indications and suspicion.

The concept remains obscure regardless of the fact that the distinction between suspicion, indications and burden of proof are made in *Philips* and *Nokia* cases. The author agrees that the *Philips* and *Nokia* ruling does overburden right-holders and the requirements, for right-holders to prove the intention to sell on the European Union market, are hard to satisfy. Inevitably, this leads to a lamentable fact that right-holders are hindered to invoke their IPRs. The author concludes that the third research question appears to be correct; the Regulation 608/2013 does fail to provide legal certainty for right-holders. Quite the contrary, the Regulation 608/2013 was

expected to reverse the burden of proof. Nonetheless, the author contemplates that in this regard, the 608/2013 cannot be said to create new gaps but rather to *leave* the question open.

In relation to the manufacturing fiction, the author is in the opinion that it is only a suggested interpretation of the Regulation 1383/2003. The author determines that the idea behind the manufacturing fiction is an appealing one, however, it cannot be maintained for the sake of provisional nature of customs enforcement regulations that are not, in essence, intended to create substantive rules. Another point is that the preservation of the manufacturing fiction would have been detrimental for the territorial principle as a fundamental principle to the international IP law. The author notes that the Recital 8 does not need to be interpreted in the light of manufacturing fiction. However, the usage of the phrase 'with reference to' is problematic as it is not clear enough, and thus, fails to provide legal certainty. The author recognises that it *can* be interpreted in the way of manufacturing fiction.

The author described in the introduction that she wanted to examine whether a lot is condoned because of the procedural nature of the Regulation 608/2013. The author perceived this sense of calling on the procedural nature whenever researching the topic. The author understood in the course of thesis that this is appropriate. A fall by the wayside, from procedural rules to substantive ones, would be injurious for the inherent procedural nature of the customs enforcement regulation. The author proposes that seizures of infringing goods is a better solution to replace the manufacturing fiction.

A big body of this thesis dealt with goods in transit issue. In this regard, the set of changes introduced by EU Trademark Reform Package comprises only a relief in the field of trademark law, rendering that with a strong possibility, customs authorities and national courts will continue the follow the principle in *Philips* and *Nokia* cases. According to the second research question, the author desired to examine whether the exchange of information offers a sufficient solution for goods in transit issue. The author concludes, that with a good possibility, the exchange of information is a sufficient solution to deal with goods in transit. The author argued this conclusion on the basis that in case where cooperation (i.e. exchange of information) does not come about between the customs authorities, also the seizures do not take place. However, there must always be discretion left in estimating the fact whether customs authorities make use of the central database in this regard, especially, in relation to third countries.

In relation to the new improvements made to the scope of the Regulation 608/2013, it can be considered problematic that the customs authorities perform their activities very independently in regards to right-holders as for right-holders this implies lost control. However, the author does not ponder this to be that detrimental for right-holders' position. This is because the author claims that destruction of the goods would happen in any case according to the wishes of the right-holder. Of course, the issue seems to underlie the fact that the right-holders do not have the possibility to inspect whether the goods were counterfeit or not. On the positive side, there remains the possibility for the right-holder to not opt into the small consignment procedure, but alternatively, handle customs interventions under ordinary simplified procedure.

The hypothesis was anticipated to result in a way that the Regulation 608/2013 fails to provide improved protection over the Regulation 1383/2003 for right-holders. From the point of view of additions comprising all prospective IPRs, these additions are the most significant changes to the Regulation 608/2013 contrary to the Regulation 1383/2003. Particularly, the novel inclusion of devices circumventing a technology, in the Regulation 608/2013, was seen to have positive effects in comparison to the Regulation 1383/2003. In general, these new introductions to the scope expand the legal bases for right-holders to defend their rights as they did not exist in the former regulation. On a wider scale, the inclusion of devices circumventing a technology was a win, as circumventing devices are, in fact, 'suspect' goods meaning that these devices are 'reasonable indications' of infringements of IPRs, and hence, must be taken seriously. Thus, this is one point, according to which the Regulation 608/2013 cannot be deemed to fail to provide improved protection for right-holders over the Regulation 1383/2003 as the hypothesis was formulated in the beginning of the thesis.

When it comes to parallel imports and overruns, the author denies the accuracy of reasoning that purely 'manufacturing as genuine goods' is a sufficient reason to exclude them from the scope of the Regulation 608/2013. It is considered that the responsibilities of customs authorities are taken too far in case where they have to examine breach of contract which is the case with genuine goods as parallel imports including overruns. However, the author agrees with the view that as they are left outside of the scope, the protection of IPRs is imperfect. Furthermore, the customs authorities resort to additional national measures to deal with these genuine goods resulting the practise of customs authorities to be inconsistent.

In like manner to parallel imports and overruns, goods transported in personal luggage, provided that there are no indications of commercial nature, are outside the scope of the Regulation 608/2013. The author recognises that there is a risk of increased flow of counterfeit goods into the EU, and hence, ponders that personal luggage should be included in the Regulation. The author also finds problematic that there is no definition of traveller's personal luggage in the Regulation 608/2013. Furthermore, the current situation creates the impression that small amount of counterfeiting would be permissible. In conclusion, the author states, in relation to the first research question, that the Regulation 608/2013 does leave important areas (meaning parallel imports, goods in transit, overruns and traveller's personal luggage) outside of its scope.

The Regulation 608/2013 has close connections also to, so called, IPR Enforcement Directive and the TRIPS Agreement. The Regulation 608/2013 does implement articles of the TRIPS agreement and these instruments are in great compliance. When it comes to the IPR Enforcement Directive, it does not list the IPRs it covers. However, it does contain substantive rules on the protection of IPRs, in addition to its procedural rules that are more prominent. The author determines that, all in all, it is hard to set these pieces of legislation, against each other for the purposes of comparing. Thus, the author concludes that these instruments reinforce each other and are important parts in forming the EU customs enforcement regime.

In relation to the filing part of the customs enforcement, the author, lastly, concludes that right-holders can be obliged to meet certain duties, to exemplify, to provide information or compensate costs. The author determines that these obligations do not burden right-holders too much and it is solely natural that EU legal acts impose sanctions in case of non-compliance. All things considered, such as being free of charge and readily available standard application forms, filing of application itself is made easy for right-holders. Thus, the treatment of right-holders seems to be secured at least from the filing point of view. The obscurities are more likely to occur where the action of customs authorities is taking place, and importantly the question lies, by which legal basis the customs authorities are acting; based on EU law or national laws. Another problematic point for right-holders and for their legal certainty is the lack of indication, in the Regulation 608/2013, what exactly are the acts covered to inspect the goods for the purposes of analysis.

The idea of EU border seizure regime as an excessively strong weapon for the right-holders, bearing a risk, of being misused for the detriment of others, is exaggerated in the opinion of the author. The EU border seizure regime is definitely needed to safeguard right-holders' IPRs. On the other hand, there seems to be the risk of overburdening customs authorities in the other end. The topic provides various viewpoints which can be further explored. Even though the new European Union regime provides right-holders a broader range of tools for them to enforce their IPRs, custom seizure system is not complete and there is room for improvement. Thus, possibilities, to research further EU customs enforcement regime, are strongly present.

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Abstract

The Council Regulation (EC) 608/2013 concerning customs enforcement of intellectual property rights and repealing Council Regulation (EC) 1383/2003 (Regulation 608/2013) is the most cost-effective and strongest tool in order to fight against counterfeiting and pirated goods as it confers the investigative powers for customs authorities to operate within the EU. The aim of the master thesis is to study the level of protection in relation to right-holders under the Regulation 608/2013. A link is established between Council Regulation (EC) 1383/2003 concerning customs action against goods suspected of infringing certain intellectual property rights and the measures to be taken against goods found to have infringed such rights (Regulation 1383/2003) and case law respectively. The research questions to which the author aims to find answers are: Does the scope of the Regulation 608/2013 leave important areas outside (i.e. parallel imports, goods in transit, overruns and traveller's personal luggage)? Is exchange of information a sufficient solution to the concern of goods in transit? Does the Regulation 608/2013 fail to provide legal certainty, and in fact, create new gaps? The author's hypothesis is that the Regulation 608/2013 fails to provide improved protection over the Regulation 1383/2003 for right-holders. This thesis will be written in compliance with Oxford University Standard for the Citation of Legal Authorities (OSCOLA). A method of qualitative research methodology is conducted throughout the research. This thesis is achieved by using a great variety of academic books, as well as, academic articles. Naturally, as it is stemming already from the topic of the work, case law and regulations play a significant role. As the topic is highly interlinked to intellectual property and to the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement), also comprehensive spectrum of directives, is introduced throughout the work. According to the main results of this thesis in respect to the research questions and hypothesis, the requirements for right-holders to prove the intention to sell on the European Union market are hard to meet. In detail, this implies that right-holders, are hindered to enforce their intellectual property rights. As the Regulation 608/2013, despite the promises, fails to reverse the burden of proof, the loophole already present in the Regulation 1383/2003 is still there as the Regulation 608/2013 is in force. Yet, when it comes to exchange of information, the author concludes that it is necessary for the seizures to take place on the basis of cooperation between customs authorities. As well, the novelties of the Regulation 608/2013 result in a greater amount of legal bases for the benefit of right-holders. Finally, based on the main findings made

by the author, it is a lamentable fact that parallel imports including overruns and traveller's personal luggage are left outside the scope of the Regulation 608/2013.

Key words: Right-Holder, Customs Enforcement, Intellectual Property Right, Customs Authorities

Abstract

Die Verordnung (EU) Nr.608/2013 des Europäischen Parlaments und des Rates vom 12.Juni 2013 zur Durchsetzung der Rechte geistigen Eigentums durch die Zollbehörde und zur Aufhebung der Verordnung (EG) Nr. 1383/2003 ist das kostengünstigste und stärkste Mittel im Kampf gegen nachgeahmte und gefälschte Waren, da sie der Zollbehörde die Befugnis, innerhalb der EU zu ermitteln, erteilt. Das Ziel der Masterarbeit ist es den Schutz des Rechteinhabers unter der Verordnung 608/2013 zu untersuchen. Eine Verbindung wird hergestellt zwischen der Verordnung (EG) Nr. 1383/2003 des Rates vom 22.Juni 2003 über das Vorgehen der Zollbehörden gegen Waren, die im Verdacht stehen, bestimmte Rechte geistigen Eigentums zu verletzen, und die Maßnahme gegenüber Waren, die erkanntermaßen derartige Rechte verletzen (Verordnung 1383/2003) und der Rechtsprechung. Die Forschungsfragen auf die der Autor eine Antwort sucht sind: Lässt der Anwendungsbereich der Verordnung 608/2013 wichtige Bereiche außer Acht (d.h. Paralleleinfuhren; Overruns, Waren im persönlichen Gepäck)? Ist der Austausch von Informationen eine unzureichende Lösung im Bezug auf die Waren im Durchfuhrverkehr? Schafft die Verordnung 608/2013 Rechtssicherheit, oder sorgt sie für neue Lücken? Die These des Autors besagt, dass die Verordnung 608/2013 nicht mehr Schutz für die Rechtinhaber bietet, als die Verordnung 1383/2003. Diese Arbeit wird mit der Zustimmung der Oxford University Standard für die Citation of Legal Authorities (OSCALA) verfasst. Eine qualitative Forschungsmethode hat zu den Ergebnissen der Forschung geführt. Diese These wurde mithilfe einer großen Auswahl an Fachbüchern und Fachartikeln verfasst. Natürlicherweise legt das Thema der Arbeit nahe, dass Rechtsprechungen und Verordnungen eine große Rolle spielen. Dadurch, dass das Thema stark mit dem geistigen Eigentum und dem Übereinkommen über handelsbezogene Aspekte der Rechte des geistigen Eigentums (TRIPS-Übereinkommen) zusammenhängt, wird auch ein umfassendes Spektrum an Richtlinien in der Arbeit eingeführt. Nach den Ergebnissen der Arbeit zu urteilen, ist es schwer für Rechteinhaber zu zeigen, dass ein Vorhaben auf dem europäischen Markt zu verkaufen, besteht. Im Detail bedeutet dies, dass Rechteinhaber daran gehindert werden ihr geistiges Eigentumsrecht durchzusetzen, da die Verordnung 608/2013 trotz der Versprechen daran scheitert die Beweislast umzukehren und das Schlupfloch, das bereits in Verordnung 1383/2003 existiert hat, zu schließen. Dennoch, so schließt der Autor, dass es notwendig ist eine Beschlagnahmung durch die Zusammenarbeit der Zollbehörden zu ermöglichen. Zusätzlich schaffen die Neuheiten der Verordnung 608/2013 mehr Rechtsgrundlagen zu Gunsten der Rechteinhaber. Schlussendlich ist aus den Ergebnissen des Autors zu sehen, dass Paralleleinfuhren, inklusive Overruns, und die

Waren im persönlichen Gepäck außerhalb des Geltungsbereiches von Verordnung 608/2013 liegen.

Schlüsselwörter: Rechteinhaber, Durchsetzung der Zollvorschriften, Immaterialgüterrecht, Zollbehörde