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No time for delay

In the United Kingdom, a prompt and streamlined procedure is necessary to ensure that counterfeit goods can be efficiently destroyed while complying with the existing regime

Rights holders in the United Kingdom benefit from two systems of customs protection. One operates on the national level under UK legislation, while the other operates on the pan-European level provided by the EU Customs Regulation, which allows for the seizure of suspected counterfeit items at EU borders. Recently, UK procedures against counterfeit goods have been amended, which has harmonised enforcement with the EU regime.

It is important to follow the requirements carefully to ensure that action can be taken against counterfeit goods. Further, rights holders should consider their portfolio of UK and Community trademark registrations to ensure that comprehensive protection is in place in order to rely on the anti-counterfeiting measures. In addition, rights holders should ensure that procedures are in place in order to respond to and process seizure notifications, given the short timeframe in which the simplified procedure operates. Once the appropriate protections and procedures have been established, rights holders may seek to rely on the significant protections afforded by the UK and EU customs regimes, in particular to prevent the importation of counterfeit goods into the relevant territory.

Legal provisions

UK customs measures have for many years been governed by the Trademarks Act 1994, in conjunction with the Customs and Excise Management Act 1979. Sections 89 to 91 of the Trademarks Act allow trademark owners to submit a notice to Customs requesting that infringing goods expected to arrive in the United Kingdom be treated as prohibited goods that cannot be imported into the country. The goods then fall under the provisions of the Customs and Excise Management Act, which requires that

Customs serve notice on the owner of the seized goods, which then has one month to contest the forfeiture. If contested, Customs may commence condemnation proceedings in the courts in order to have the goods condemned as forfeited.

At a pan-European level, border measures in the European Union are governed by EU Regulation 1383/2003. The regulation contains provisions that must be followed by member state customs authorities when taking action against suspected counterfeit goods. In particular, Article 2 of the regulation defines 'counterfeit goods' as:

- goods, including packaging, that bear, without authorisation, a trademark that is identical to the trademark validly registered in respect of the same type of goods, or which cannot be distinguished in its essential aspects from such a trademark, and which thereby infringes the trademark holder's rights under Community law, as provided for by EU Regulation 40/94 or the law of the member state in which the application for action by the customs authorities is made;
- any trademark symbol (including a logo, label, sticker, brochure, instructions for use or guarantee document bearing such a symbol), even if presented separately; and packaging materials bearing the trademarks of counterfeit goods, presented separately.

Article 3 states that: "This regulation shall not apply to goods bearing a trademark with the consent of the holder of that trademark or to goods bearing a protected designation of origin or a protected geographical indication or which are protected by a patent or a supplementary protection certificate, by a copyright or related right or by a design

right or a plant variety right and which have been manufactured with the consent of the right holder but are placed in one of the situations referred to in Article 1(1) without the latter's consent."

This provision effectively precludes customs authorities from taking action against goods that are distributed outside a licensee or distributor's designated territory (eg, grey imports).

Article 11 of the regulation states that member states may provide a simplified procedure for the seizure and destruction of counterfeit and other goods infringing IP rights, with no judgment as to infringement necessary. Historically, UK Customs operated an expedited procedure whereby it would provisionally seize suspected counterfeit goods and notify rights holders, which were then required to inspect the items and provide a witness statement confirming that the goods were indeed counterfeit. Customs would then formally seize the goods and the matter would effectively be concluded as the infringing parties rarely objected.

However, following the 2008 decision in *HMRC v Penbrook*, the expedited procedure was deemed not to be in concordance with the EU regime, so it became necessary to initiate court proceedings to secure the destruction of any counterfeit goods detained by UK Customs. Such court proceedings required the rights holder to prove that the suspected counterfeit goods infringed its IP rights. In response to this development, the United Kingdom introduced the Goods Infringing Intellectual Property Rights Customs (Amendment) Regulations 2010, establishing a simplified procedure for the seizure and destruction of counterfeit and other infringing goods. The 2010 regulations are based on the procedure set out in Article 11 of the EU Customs

Regulation, which is used by the majority of customs authorities within the European Union. This can be summarised as follows:

- The simplified procedure enables customs authorities to have counterfeit goods abandoned for destruction under customs control, without any need to determine whether an IP right has been infringed under national law.
- The rights holder must inform the relevant customs authorities in writing, within 10 working days (or three working days in the case of perishable goods) of receipt of an official notification, that the goods concerned infringe an IP right. The rights holder must provide those authorities with the written agreement of the declarant, holder or owner of the goods to abandon the goods for destruction. This agreement shall be presumed to be accepted when the declarant, holder or owner of the goods has not specifically opposed destruction within the prescribed period. The prescribed period may be extended by a further 10 working days where circumstances warrant it.
- Destruction must be carried out, unless otherwise specified in national legislation, at the expense and under the responsibility of the rights holder.
- In cases where the declarant, holder or owner of the suspected counterfeit goods objects to or contests the destruction of the goods, proceedings must be initiated within the prescribed period to determine whether an IP right has been infringed under national law.

Practical considerations

Rights holders should be aware that the definition of 'counterfeit goods' under the EU Customs Regulation is significantly narrower than the test for trademark infringement under Article 9 of the EU Community Trademark Regulation (2017/2009). In particular, the mark shown on the suspected counterfeit goods must be identical to that on the registered trademark in respect of the same type of goods, or must be indistinguishable in its essential aspects from such a trademark.

Therefore, goods carrying marks that are not identical, but confusingly similar to the rights holder's trademarks may not technically be counterfeit under the terms of the EU Customs Regulation, even though they may infringe the respective registered trademarks under Article 9 of the EU Community Trademark Regulation. However, in practice, some customs



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authorities treat the regulation wording "which cannot be distinguished in its essential aspects from such a trademark" in a fairly liberal manner. The presence of any minor variations should not prevent the goods from being destroyed under the simplified procedure. Nonetheless, rights holders should know that importers which are aware of the EU Customs Regulation may be able to challenge the destruction of any goods on the basis that the marks on the goods are sufficiently dissimilar as not to render the goods counterfeit under the terms of the EU Customs Regulation.

Almost all notifications by UK Customs are issued under the simplified procedure. As a general rule, the rights holder must do the following within 10 working days of the date of a notification:

- Confirm that the goods are counterfeit.
- Write to the declarant, importer and exporter of the goods, explaining its reasons for believing that the goods are counterfeit and requesting the agreement of the declarant, importer or exporter to abandon the goods for destruction. Rights holders should request that the infringing parties also contribute to the costs of destruction.
- Confirm to Customs whether the declarant, importer or exporter has agreed to abandon the goods for destruction or has not specifically opposed destruction within the specified period.

Although there is no legally prescribed period within which an infringing party must respond to a communication from the rights holder, it is recommended that a reasonable period be given in order for the alleged infringers to respond. The initial 10 working-day time limit will often be extended by Customs in order to allow the infringers a reasonable time to consider whether to object to the destruction of the suspected counterfeit goods.

In light of the 2010 regulations, the United Kingdom applies a procedure that closely follows the requirements as detailed in Article 11 of the EU Customs Regulation. As a result, a prompt and streamlined procedure is necessary to ensure that counterfeit goods can be efficiently destroyed while complying with the existing regime. Rights holders should be prepared to identify whether goods are counterfeit without undue delay, and ensure that agreement to the destruction of goods is secured from the importer to the satisfaction of Customs within the given time limits. [WTR](#)