

Benelux

Trademark owners have several means of enforcing their rights in Benelux. In addition, the scope and effectiveness of enforcement actions have increased since the implementation of the IP Rights Enforcement Directive

IP Rights Enforcement Directive

The IP Rights Enforcement Directive (2004/48/EC) was implemented in the Netherlands on May 1 2007 and in Belgium on November 1 2007. This provided mark owners with a number of additional tools to protect their rights. As these tools are not unique to Benelux, this article will refer only to some noteworthy particularities of Benelux law.

Interlocutory injunctions

In case of imminent infringement requiring immediate action, the rights owner may request that the court issue an injunction within one or two days, without the need to hear the alleged infringer (known as an *ex parte* order). The court may impose a penalty for non-compliance. Such orders are obtained much quicker than in summary proceedings and thus represent an important tool for the enforcement of IP rights in Benelux. Such proceedings are especially useful where the infringer participates in a trade fair or exhibition.

Securing evidence

In case of infringement, the rights owner can request that the court issue an order to secure any evidence relevant to the infringement, including any documents and other information pertaining to the source of the infringing goods, the sales channels or the profits made by the infringer.

Although the law provides trademark owners with an explicit right to secure evidence, it remained unclear until recently whether they also had a right to access this evidence. In the past, lower courts have held that this was not the case. The Den Bosch Court of Appeal (Netherlands) has recently confirmed that the right to secure evidence does not imply that trademark owners have a right of access to such evidence (Case B9 7704, March 17 2009). To gain access, a trademark owner must initiate (summary)

proceedings to obtain a court order for the disclosure of the evidence.

Since the implementation of the directive, trademark owners have two new ways of ascertaining the nature and scope of the infringement. They may seek:

- a court order to obtain a detailed description of the infringing goods (if necessary, by means of photographic evidence) and/or other material relating to the infringement. However, the description must not be so detailed that it amounts to full disclosure; and
- the seizure of samples of the infringing goods.

Securing evidence, the description of the infringing goods and the seizure of samples are executed by a process server. According to established case law, the rights owner may not be present during the action to secure evidence. The court will often request to hear the defendant before issuing any of these measures.

Sequestration

Under the court order, the process server (or an appointed third party) may sequester the infringing goods and/or the evidence secured. However, this does not mean that the mark owner is allowed to inspect the evidence. The trademark owner may nevertheless inspect the samples. The court will often hear the infringer before ordering the sequestration of the infringing goods and/or the evidence.

Compensation of (legal) expenses

Before the implementation of the directive, trademark owners could not be fully reimbursed for expenses relating to enforcement actions. Attorneys' fees represent the main part of trademark owners' expenses, but previously only about 20% of the legal costs were paid by the losing party. However, the courts may now order that the infringer reimburse all reasonably incurred expenses. This significantly changes the stakes for trademark owners, as they may now recover tens of thousands of euros. Consequently, litigation has become a lot more attractive and effective for mark owners. The courts

have awarded costs of up to €150,000 in patent cases. The Dutch courts have issued guidelines according to which the maximum amount that may be awarded in the average trademark case is €6,000.

Summary proceedings and ancillary claims

Before the implementation of the directive in the Netherlands, trademark owners had at their disposal several effective ways of enforcing their rights. Following the decision of the Dutch Supreme Court in *Chloë v Peeters* (Case NL 1988/722, November 27 1987), a rights holder may request the disclosure of the source of the infringing goods and the trade channels, as well as an account of the sales figures. The District Court of The Hague subsequently clarified that the courts may order disclosure not only in piracy cases, but also in less severe cases of infringement (Case IER 2001/38, June 29 2000).

Trademark owners may also file ancillary claims under Article 2(22)(1) of the Benelux Convention on Intellectual Property. For example, they may:

- claim ownership of the infringing goods, as well as equipment and materials used in the production of the infringing goods;
- request the destruction of goods; or
- claim ownership of the sums of money which are presumed to have been acquired as a result of the infringement

Such claims will be granted only in cases of intentional infringement. Recall actions represent another effective tool for rights holders. Recalls are often accompanied by a rectification.

Trademark owners will be successful on such ancillary claims depending on the circumstances of the case and the severity of the infringement. In *Ajax v Reule* (Case NJ 1999/717, February 26 1999), the Dutch Supreme Court held that the courts should exercise restraint in ordering the disclosure of sales channels. In clear-cut cases of counterfeiting, the court will often order that the defendant surrender the infringing goods for destruction in summary proceedings. Although such proceedings are

not as quick as *ex parte* proceedings, it is possible to obtain a court order within a couple of weeks.

Since the implementation of the Agreement on Trade-Related Aspects of Intellectual Property Rights in the Netherlands, summary proceedings must always be followed by proceedings on the merits. If a plaintiff fails to initiate proceedings on the merits, any order issued during the summary proceedings will become ineffective. Usually, the infringer does not defend the case. However, the plaintiff must always comply with this rule, even where the case is settled during the summary proceedings.

Parallel imports

According to the case law of the European Court of Justice (ECJ), infringement will occur where goods bearing a registered trademark are placed on the market in the European Union without the authorization of the mark owner. The parallel importer will have the burden of proving that the goods have been placed on the market by or with the authorization of the rights holder. The burden of proof will shift to the trademark owner if the parallel importer successfully establishes that there would be a risk of market partitioning if it were to bear the burden of proof (see *Van Doren v Lifestyle* (Case C-244/00, April 8 2003)). In addition, the Amsterdam Court of Appeal held that a system of selective distribution is allowed under EU competition law. Therefore, in such a case, there is no reason to shift the burden of proof to the trademark owner (see *Lancôme v Kruidvat* (Case IER 2005/12, October 14 2004)). This decision was subsequently affirmed by the Dutch Supreme Court (Case LJN AX3069, September 22 2006).

The ECJ also held that the parallel importer will have the burden of proving that every single product bearing the mark was placed on the market by or with the authorization of the trademark owner. In *Levi Strauss v Makro* (Case B9 6400, July 3 2008), the Amsterdam Court of Appeal ruled that the evidence submitted by the defendant must be very thorough. In that case, the statement of a registered accountant was deemed to be inadequate on the grounds that it was not sufficiently specific.

In *Lancôme v Kruidvat*, it was also established that infringement occurs where a party (in this case, drugstore chain Kruidvat) systematically takes advantage of a contractual breach by the distributor of the branded goods (ie, a 'leak' in the selective distribution system). This tort is



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unique to Benelux and helps IP rights owners to reduce parallel imports of branded goods.

A recent case is also worthy of attention. Coty Prestige produces and distributes DAVIDOFF-branded perfumes. Coty argued that Tico Trading infringed its rights in the mark by selling testers of Davidoff perfumes. At first, the District Court of The Hague ruled in favour of Coty, holding that Tico had failed to prove that the testers were placed on the market in the European Union with Coty's permission (Case BMM 4/2008, November 18 2008). However, the same court subsequently held that Coty's trademark rights were exhausted when the latter delivered the testers to retailers free of charge with the express stipulation that the testers could not be sold or otherwise disposed of. The court concluded that retailers that sold the testers did not infringe the trademark (Case BMM 4/2008, January 29 2009). The appeal is pending. [WTR](#)