COUNCIL REGULATION (EC) No 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

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 133 thereof,

Having regard to the proposal from the Commission,

Whereas:

(1) To improve the working of the system concerning the entry into the Community and the export and re-export from the Community of goods infringing certain intellectual property rights introduced by Council Regulation (EC) No 3295/94 of 22 December 1994 laying down measures to prohibit the release for free circulation, export, re-export or entry for a suspensive procedure of counterfeit and pirated goods [1], conclusions should be drawn from experience of its application. In the interests of clarity, Regulation (EC) No 3295/94 should be repealed and replaced.

(2) The marketing of counterfeit and pirated goods, and indeed all goods infringing intellectual property rights, does considerable damage to law-abiding manufacturers and traders and to right-holders, as well as deceiving and in some cases endangering the health and safety of consumers. Such goods should, in so far as is possible, be kept off the market and measures adopted to deal effectively with this unlawful activity without impeding the freedom of legitimate trade. This objective is consistent with efforts under way at international level.

(3) In cases where counterfeit goods, pirated goods and, more generally, goods infringing an intellectual property right originate in or come from third countries, their introduction into the Community customs territory, including their transhipment, release for free circulation in the Community, placing under a suspensive procedure and placing in a free zone or warehouse, should be prohibited and a procedure set up to enable the customs authorities to enforce this prohibition as effectively as possible.

(4) Customs authorities should also be able to take action against counterfeit goods, pirated goods and goods infringing certain intellectual property rights which are in the process of being exported, re-exported or leaving the Community customs territory.

(5) Action by the customs authorities should involve, for the period necessary to determine whether suspect goods are indeed counterfeit goods, pirated goods or goods infringing certain intellectual property rights, suspending release for free circulation, export and re-export or, in the case of goods placed under a suspensive procedure, placed in a free zone or a free warehouse, in the process of being re-exported with notification, introduced into the customs territory or leaving that territory, detaining those goods.

(6) The particulars of the application for action, such as its period of validity and form, need to be defined and harmonised in all Member States. The same applies to the conditions governing the acceptance of applications by the customs authorities and the service designated to receive, process and register them.

(7) Even where no application has yet been lodged or approved, the Member States should be authorised to detain the goods for a certain period to allow right-holders to lodge an application for action with the customs authorities.

(8) Proceedings initiated to determine whether an intellectual property right has been infringed under national law will be conducted with reference to the criteria used to establish whether goods produced in that Member State infringe intellectual property rights. This Regulation does not affect the Member States' provisions on the competence of the courts or judicial procedures.

(9) To make the Regulation easier to apply for customs administrations and right-holders alike, provision should also be made for a more flexible procedure allowing goods infringing certain intellectual property rights to be destroyed without there being any obligation to initiate proceedings to establish whether an intellectual property right has been infringed under national law.

(10) It is necessary to lay down the measures applicable to goods which have been found to be counterfeit, pirated or generally to infringe certain intellectual property rights. Those measures should not only deprive those responsible for trading in such goods of the economic benefits of the transaction and penalise them but should also constitute an effective deterrent to further transactions of the same kind.

[1] OJ L 341, 30.12.1994, p. 8. Regulation as last amended by Regulation (EC) No 806/2003 (OJ L 122, 16.5.2003, p. 1).

(11) To avoid disrupting the clearance of goods carried in travellers' personal baggage, it is appropriate, except where certain material indications suggest commercial traffic is involved, to exclude from the scope of this Regulation goods that may be counterfeit, pirated or infringe certain intellectual property rights when imported from third countries within the limits of the duty-free allowance accorded by Community rules.

(12) In the interests of this Regulation's effectiveness, it is important to ensure the uniform application of the common rules it lays down and to reinforce mutual assistance between the Member States and between the Member States and the Commission, in particular by recourse to Council Regulation (EC) No 515/97 of 13 March 1997 on mutual assistance between the administrative authorities of the Member States and cooperation between the latter and the Commission to ensure the correct application of the law on customs and agricultural matters ([1]).

(13) In the light of the experience gained in the implementation of this Regulation, *inter alia*, consideration should be given to the possibility of increasing the number of intellectual property rights covered.

(14) The measures necessary for the implementation of this Regulation should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission ([2]).

(15) Regulation (EC) No 3295/94 should be repealed,

HAS ADOPTED THIS REGULATION:

CHAPTER I

SUBJECT MATTER AND SCOPE

Article 1

1. This Regulation sets out the conditions for action by the customs authorities when goods are suspected of infringing an intellectual property right in the following situations:

(a) when they are entered for release for free circulation, export or re-export in accordance with Article 61 of Council Regulation (EC) No 2913/92 of 12 October 1992 establishing the Community Customs Code ([3]);

(b) when they are found during checks on goods entering or leaving the Community customs territory in accordance with Articles 37 and 183 of Regulation (EEC) No 2913/92, placed under a suspensive procedure within the meaning of Article 84(1)(a) of that Regulation, in the process of being re-exported subject to notification under Article 182(2) of that Regulation or placed in a free zone or free warehouse within the meaning of Article 166 of that Regulation.

2. This Regulation also fixes the measures to be taken by the competent authorities when the goods referred to in paragraph 1 are found to infringe intellectual property rights.

Article 2

1. For the purposes of this Regulation, 'goods infringing an intellectual property right' means:

(a) 'counterfeit goods', namely:

(i) goods, including packaging, bearing without authorisation a trademark 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 Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trademark ([4]) or the law of the Member State in which the application for action by the customs authorities is made;

(ii) any trademark symbol (including a logo, label, sticker, brochure, instructions for use or guarantee document bearing such a symbol), even if presented separately, on the same conditions as the goods referred to in point (i);

(iii) packaging materials bearing the trademarks of counterfeit goods, presented separately, on the same conditions as the goods referred to in point (i);

(b) 'pirated goods', namely goods which are or contain copies made without the consent of the holder of a copyright or related right or design right, regardless of whether it is registered in national law, or of a person authorised by the right-holder in the country of production in cases where the making of those copies would constitute an infringement of that right under Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs ([5]) or the law of the Member State in which the application for customs action is made;

([1]) OJ L 82, 22.3.1997, p. 1. Regulation as last amended by Regulation (EC) No 807/2003 (OJ L 122, 16.5.2003, p. 36).
([2]) OJ L 184, 17.7.1999, p. 23.
([3]) OJ L 302, 19.10.1992, p. 1. Regulation as last amended by Regulation (EC) No 2700/2000, of the European Parliament and of the Council (OJ L 311, 12.12.2000, p. 17).
([4]) OJ L 11, 14.01.1994, p. 1. Regulation as last amended by Regulation (EC) No 807/2003.
([5]) OJ L 3, 5.1.2002, p. 1.

(c) goods which, in the Member State in which the application for customs action is made, infringe:

(i) a patent under that Member State's law;

(ii) a supplementary protection certificate of the kind provided for in Council Regulation (EEC) No 1768/92 [1] or Regulation (EC) No 1610/96 of the European Parliament and of the Council [2];

(iii) a national plant variety right under the law of that Member State or a Community plant variety right of the kind provided for in Council Regulation (EC) No 2100/94 [3];

(iv) designations of origin or geographical indications under the law of that Member State or Council Regulations (EEC) No 2081/92 [4] and (EC) No 1493/1999 [5];

(v) geographical designations of the kind provided for in Council Regulation (EEC) No 1576/89 [6].

2. For the purposes of this Regulation, 'right-holder' means:

(a) the holder of a trademark, copyright or related right, design right, patent, supplementary protection certificate, plant variety right, protected designation of origin, protected geographical indication and, more generally, any right referred to in paragraph 1; or

(b) any other person authorised to use any of the intellectual property rights mentioned in point (a), or a representative of the right-holder or authorised user.

3. Any mould or matrix which is specifically designed or adapted for the manufacture of goods infringing an intellectual property right shall be treated as goods of that kind if the use of such moulds or matrices infringes the right-holder's rights under Community law or the law of the Member State in which the application for action by the customs authorities is made.

Article 3

1. 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.

It shall similarly not apply to goods referred to in the first subparagraph and which have been manufactured or are protected by another intellectual property right referred to in Article 2(1) under conditions other than those agreed with the right-holder.

2. Where a traveller's personal baggage contains goods of a non-commercial nature within the limits of the duty-free allowance and there are no material indications to suggest the goods are part of commercial traffic, Member States shall consider such goods to be outside the scope of this Regulation.

CHAPTER II

APPLICATIONS FOR ACTION BY THE CUSTOMS AUTHORITIES

Section 1

Measures prior to an application for action by the customs authorities

Article 4

1. Where the customs authorities, in the course of action in one of the situations referred to in Article 1(1) and before an application has been lodged by a right-holder or granted, have sufficient grounds for suspecting that goods infringe an intellectual property right, they may suspend the release of the goods or detain them for a period of three working days from the moment of receipt of the notification by the right-holder and by the declarant or holder of the goods, if the latter are known, in order to enable the right-holder to submit an application for action in accordance with Article 5.

2. In accordance with the rules in force in the Member State concerned, the customs authorities may, without divulging any information other than the actual or supposed number of items and their nature and before informing the right-holder of the possible infringement, ask the right-holder to provide them with any information they may need to confirm their suspicions.

Section 2

The lodging and processing of applications for customs action

Article 5

1. In each Member State a right-holder may apply in writing to the competent customs department for action by the customs authorities when goods are found in one of the situations referred to in Article 1(1) (application for action).

[1] OJ L 182, 2.7.1992, p. 1.
[2] OJ L 198, 8.8.1996, p. 30.
[3] OJ L 227, 1.9.1994, p. 1. Regulation as last amended by Regulation (EC) No 807/2003.
[4] OJ L 208, 24.7.1992, p. 1. Regulation as last amended by Regulation (EC) No 806/2003.
[5] OJ L 179, 14.7.1999, p. 1. Regulation as last amended by Regulation (EC) No 806/2003.
[6] OJ L 160, 12.6.1989, p. 1. Regulation as last amended by Regulation (EC) No 3378/94 of the European Parliament and of the Council (OJ L 366, 31.12.1994, p. 1).

2. Each Member State shall designate the customs department competent to receive and process applications for action.

3. Where electronic data interchange systems exist, the Member States shall encourage right-holders to lodge applications electronically.

4. Where the applicant is the right-holder of a Community trademark or a Community design right, a Community plant variety right or a designation of origin or geographical indication or a geographical designation protected by the Community, an application may, in addition to requesting action by the customs authorities of the Member State in which it is lodged, request action by the customs authorities of one or more other Member States.

5. The application for action shall be made out on a form established in accordance with the procedure referred to in Article 21(2); it must contain all the information needed to enable the goods in question to be readily recognised by the customs authorities, and in particular:

(i) an accurate and detailed technical description of the goods;

(ii) any specific information the right-holder may have concerning the type or pattern of fraud;

(iii) the name and address of the contact person appointed by the right-holder.

The application for action must also contain the declaration required of the applicant by Article 6 and proof that the applicant holds the right for the goods in question.

In the situation described in paragraph 4 the application for action shall indicate the Member State or States in which customs action is requested as well as the names and addresses of the right-holder in each of the Member States concerned.

By way of indication and where known, right-holders should also forward any other information they may have, such as:

(a) the pre-tax value of the original goods on the legitimate market in the country in which the application for action is lodged;

(b) the location of the goods or their intended destination;

(c) particulars identifying the consignment or packages;

(d) the scheduled arrival or departure date of the goods;

(e) the means of transport used;

(f) the identity of the importer, exporter or holder of the goods;

(g) the country or countries of production and the routes used by traffickers;

(h) the technical differences, if known, between the authentic and suspect goods.

6. Details may also be required which are specific to the type of intellectual property right referred to in the application for action.

7. On receiving an application for action, the competent customs department shall process that application and notify the applicant in writing of its decision within 30 working days of its receipt.

The right-holder shall not be charged a fee to cover the administrative costs occasioned by the processing of the application.

8. Where the application does not contain the mandatory information listed in paragraph 5, the competent customs department may decide not to process the application for action; in that event it shall provide reasons for its decision and include information on the appeal procedure. The application can only be re-submitted when duly completed.

Article 6

1. Applications for action shall be accompanied by a declaration from the right-holder, which may be submitted either in writing or electronically, in accordance with national legislation, accepting liability towards the persons involved in a situation referred to in Article 1(1) in the event that a procedure initiated pursuant to Article 9(1) is discontinued owing to an act or omission by the right-holder or in the event that the goods in question are subsequently found not to infringe an intellectual property right.

In that declaration the right-holder shall also agree to bear all costs incurred under this Regulation in keeping goods under customs control pursuant to Article 9 and, where applicable, Article 11.

2. Where an application is submitted under Article 5(4), the right-holder shall agree in the declaration to provide and pay for any translation necessary; this declaration shall be valid in every Member State in which the decision granting the application applies.

Article 7

Articles 5 and 6 shall apply *mutatis mutandis* to requests for an extension.

Section 3

Acceptance of the application for action

Article 8

1. When granting an application for action, the competent customs department shall specify the period during which the customs authorities are to take action. That period shall not exceed one year. On expiry of the period in question, and subject to the prior discharge of any debt owed by the right-holder under this Regulation, the department which took the initial decision may, at the right-holder's request, extend that period.