

Congress Seoul 2012
Adopted Resolution
October 23, 2012

Resolution

Question Q230

Infringement of trademarks by goods in transit

AIPPI

Noting that:

- 1) AIPPI has studied aspects of border measures and other means of Customs intervention against trademark infringements in previous questions, leading in particular to:
 - a) The resolution of the Congress of London in 1986 – Question Q86, entitled ‘Measures against Counterfeiting of Branded Goods’ (**London Anti-Counterfeiting Resolution**);
 - b) The resolution of the Council of Presidents of Lisbon in 1993 – Question Q122, entitled ‘Customs Seizure’ (**Lisbon Customs Seizure Resolution**);
 - c) The resolution of the ExCo of Sorrento in 2000 – Question Q147, entitled ‘Border Measures after TRIPS’ (**Sorrento Resolution**); and
 - d) The resolution of the ExCo of Buenos Aires in 2009 – Question Q208 entitled ‘Border measures and other means of customs intervention against infringers’ (**Buenos Aires Border Measures Resolution**).
- 2) The London Anti-Counterfeiting Resolution recognized the losses sustained by those businesses whose products are subject to counterfeiting and adopted the recommendation that international cooperation in the field of police action and Customs’ action should be strengthened with a view to eliminating international trade in counterfeit goods (N°4b).
- 3) The Lisbon Customs Seizure Resolution supported the establishment of a system for the seizure by Customs authorities of counterfeit and pirated goods which infringe trademarks, copyrights and related rights (N°1). AIPPI further expressed the opinion that in any such system the rights of any person whose goods have been wrongly seized should be adequately protected by requiring the owner of the relevant IP right to indemnify that person (N°2). Finally, AIPPI considered that such a system should be extended to other IP rights (including industrial designs) if it is clear that there is infringement of such rights (N°3).

- 4) The Buenos Aires Border Measures Resolution observed that:
- a) border measures are now generally available for pirated copyright goods and counterfeit trademark goods. (In many countries, such measures are also available in cases of infringement of design rights, patents and other IP rights);
 - b) the level of evidence for alleged infringement that is required by Customs authorities in order to invoke border measures varies widely among countries, and resolved that border measures should be available in respect of all IP rights and all forms of IP infringements as recognized under the laws of the relevant national or regional jurisdictions.
- 5) The Sorrento Resolution observed that most countries, consistent with their obligations under Article 51 of TRIPS, have procedures for the suspension by the Customs authorities of the release into free circulation of counterfeit trademark goods and pirated copyright goods, either in the form of Court actions or of actions before the Customs authorities or of combined actions before both the Courts and the Customs authorities. The Sorrento Resolution resolved, among other things:
- a) that border measures be extended to well known marks within the meaning of Article 6bis of the Paris Convention, as well as to marks which have not been registered but which otherwise enjoy protection under the national law of importation;
 - b) that all countries extend border measures to goods in transit and to goods intended to be exported, which would otherwise infringe intellectual property rights of the country of transit, or the country of export respectively; and
 - c) that further study be undertaken, of the application of border measures to intellectual property rights other than those infringed by counterfeit trademark goods and pirated copyright goods within the meaning of Note 14 to Article 51 of the TRIPS Agreement.

Considering that:

- 1) The question of whether goods in transit would be considered a trademark infringement in the transit country is complex and broad.
- 2) The terms “in transit” and “transit” have different meanings in different contexts and also in different international treaties concerning both Customs law and intellectual property law. Whilst almost all countries provide for some sort of in transit concept, these specific words may not be the words expressly used in all countries to define this concept. For these reasons this resolution will not attempt to attribute a legal definition to these terms.
- 3) The treatment of goods in transit varies considerably among the different countries. The question of whether goods in transit would be considered a trademark infringement in the transit country is closely linked to Customs law. The scope of this Resolution is limited to the enforcement of intellectual property rights under intellectual property law.

Resolves that:

- 1) The terms “in transit“ and “transit“ should be understood in a general sense, as they are commonly understood in ordinary usage. Specifically, that goods in transit are commonly understood to be goods which have been declared to pass through a country (the transit country) on their way to another country (the destination country) and not to be put on the market in the transit country.
- 2) As a minimum standard, goods in transit should fall within the trademark owner’s right to prevent others from importing goods bearing the trademark in certain circumstances where there is an indication that the goods may enter the market of the transit country, such as:
 - a) where the owner of, or any other person responsible for, the goods in transit has advertised such goods in the market in the transit country;
 - b) where the owner of, or any other person responsible for, the goods in transit has offered such goods for sale in the transit country;
 - c) where the owner of, or any other person responsible for, the goods in transit has a history of previous conduct of having released infringing goods for sale in the transit country;
 - d) where the owner of, or any other person responsible for, the goods in transit has not cooperated with Customs authorities or complied with Customs requirements; or
 - e) where the destination of the goods is not declared or is inconsistent with the Customs documentation.
- 3) The mere possibility that goods might not reach the destination country and that the goods might be diverted into the market in the transit country are not sufficient grounds to establish trademark infringement.
- 4) If any of the indications referred to in paragraph 2 of this Resolution can be established, the owner of or any other person responsible for the goods in transit must have the burden of proof to show that the goods were not destined to enter the market of the transit country.
- 5) Border measures applicable in the transit country should be available to the trademark owners to enable them to enforce their rights against goods in transit.
- 6) The same remedies should be available for the enforcement of rights against infringing goods in transit as for other trademark infringements. It follows that the same defences and remedies applicable to other trademark infringements should also be available where goods in transit are accused of infringement.