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(Acts whose publication is obligatory)

COUNCIL REGULATION (EC) No 241/1999

of 25 January 1999

amending Regulation (EC) No 3295/94 laying down measures to prohibit the release for free circulation, export, re-export or entry for a suspensive procedure of counterfeit and pirated goods

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 113 thereof,

Having regard to the proposal from the Commission ⁽¹⁾,

Having regard to the opinion of the European Parliament ⁽²⁾,

Having regard to the opinion of the Economic and Social Committee ⁽³⁾,

(1) Whereas, pursuant to Article 15 of Regulation (EC) No 3295/94 ⁽⁴⁾, conclusions should be drawn from the experience gained during the early years of its implementation with a view to improving the operation of the system it set up;

(2) Whereas the marketing of goods infringing patents or supplementary protection certificates for medicinal products as provided for in Council Regulation (EEC) No 1768/92 of 18 June 1992 concerning the creation of a supplementary protection certificate for medicinal products ⁽⁵⁾ or supplementary protection certificates for plant protection products, as provided for in Regulation (EC) No 1610/96 of the European Parliament and of the Council of 23 July 1996 concerning the creation of a supplementary protection certificate for plant protection products ⁽⁶⁾ causes serious injury to their holders and constitutes an unfair and unlawful business activity; whereas such goods should as far as possible be prevented from being placed on the

market and measures should be adopted to that end to deal effectively with this unlawful activity without impeding the freedom of legitimate trade; whereas this objective is also being pursued through efforts being made along the same lines at international level;

(3) Whereas, in order to guarantee the integrity of the Community's external frontier, the customs authorities should be permitted to take action against goods infringing certain intellectual property rights and associated goods whatever their customs status; whereas the release for free circulation in the Community, entry for a suspensive procedure, re-export or placing in a free zone or free warehouse of such goods should therefore be prohibited; whereas moreover the customs authorities should be authorised to take action as soon as the said goods are brought into the Community;

(4) Whereas, as regards suspensive procedures, free zones and free warehouses, re-export subject to notification and temporary storage, the customs authorities will act only where goods suspected to be goods infringing certain intellectual property rights are discovered during a check;

(5) Whereas Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trademark ⁽⁷⁾ has established a system whereby right holders can, by means of a single procedure, obtain Community trade marks enjoying uniform protection and producing their effects throughout the Community;

⁽¹⁾ OJ C 108, 7. 4. 1998, p. 63.

⁽²⁾ OJ C 210, 6. 7. 1998, p. 125.

⁽³⁾ OJ C 284, 14. 9. 1998, p. 3.

⁽⁴⁾ OJ L 341, 30. 12. 1994, p. 8.

⁽⁵⁾ OJ L 182, 2. 7. 1992, p. 1. Regulation as amended by the 1994 Act of Accession.

⁽⁶⁾ OJ L 198, 8. 8. 1996, p. 30.

⁽⁷⁾ OJ L 11, 14. 1. 1994, p. 1. Regulation as amended by Regulation (EC) No 3288/94 (OJ L 349, 31. 12. 1994, p. 83).

- (6) Whereas to enhance the Community dimension of the said trade mark the administrative procedure for obtaining customs protection should be simplified;
- (7) Whereas the holders of such trade marks should have access to a system whereby the granting of a single application for action by the competent authority in one Member State can bind one or more other Member States as well; whereas developments in the area of electronic data interchange in administrative procedures must be taken into consideration, in particular as far as the transmission of decisions and information is concerned;
- (8) Whereas a single period of validity should be set in the interests of the uniform application of such decisions in the Member States concerned,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 3295/94 is hereby amended as follows:

1. the title shall be replaced by the following:

‘Council Regulation (EC) No 3295/94 of 22 December 1994 laying down measures concerning the entry into the Community and the export and re-export from the Community of goods infringing certain intellectual property rights’;

2. Article 1 shall be replaced by the following:

Article 1

1. This Regulation lays down:

- (a) the conditions under which the customs authorities shall take action where goods suspected of being goods referred to in paragraph 2(a) are:
- entered for free circulation, export or re-export, in accordance with Article 61 of Council Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code (*),
 - found in the course of checks on goods under customs supervision within the meaning of Article 37 of Council Regulation (EEC) No 2913/92, placed under a suspensive procedure within the meaning of Article 84(1)(a) of that Regulation, re-exported subject to notification or placed in a free zone or free warehouse within the meaning of Article 166 thereof;

and

- (b) the measures which shall be taken by the competent authorities with regard to those goods where it has been established that they are indeed goods referred to in paragraph 2(a).

2. For the purposes of this Regulation:

- (a) “goods infringing an intellectual property right” means

— “counterfeit goods”, namely:

— goods, including the packaging thereof, bearing without authorisation a trade mark which is identical to the trade mark validly registered in respect of the same type of goods, or which cannot be distinguished in its essential aspects from such trade mark, and which thereby infringes the rights of the holder of the trade mark in question under Community law or the law of the Member State where the application for action by the customs authorities is made,

— any trade mark symbol (logo, label, sticker, brochure, instructions for use, guarantee document) whether presented separately or not, in the same circumstances as the goods referred to in the first indent,

— packaging materials bearing the trade marks of counterfeit goods, presented separately in the same circumstances as the goods referred to in the first indent;

— “pirated goods”, namely: goods which are or embody copies made without the consent of the holder of the copyright or neighbouring rights, or of the holder of a design right, whether registered under national law or not, or of a person duly authorised by the holder in the country of production, where the making of those copies infringes the right in question under Community law or the law of the Member State in which the application for action by the customs authorities is made;

— goods infringing, in the Member State in which the application for action by the customs authorities is made, a patent under the law of that Member State or a supplementary protection certificate as provided for by Council Regulation (EEC) No 1768/92 (**) or Regulation (EC) No 1610/96 of the European Parliament and of the Council (**);

(b) "holder of a right" means the holder of a trade mark, a patent or a certificate and/or one of the rights referred to in (a), or any other person authorised to use that trademark, patent, certificate and/or right, or a representative thereof;

(c) "Community trademark" means the trademark defined in Article 1 of Council Regulation (EC) No 40/94^(****);

(d) "certificate" means the supplementary protection certificate provided for by Regulation (EEC) No 1768/92 or by Regulation (EC) No 1610/96.

3. Any mould or matrix which is specifically designed or adapted for the manufacture of a counterfeit trade mark or of goods bearing such a trade mark, for the manufacture of goods infringing a patent or a certificate or for the manufacture of pirated goods shall be treated as goods referred to in paragraph 2(a), provided that the use of such moulds or matrices infringes the rights of the holder of the right in question under Community law or the law of the Member State in which the application for action by the customs authorities is made.

4. This Regulation shall not apply to goods which bear a trade mark with the consent of the holder of that trade mark or which are protected by a patent or a certificate, by a copyright or neighbouring right or by a design right and which have been manufactured with the consent of the holder of the right but are placed in one of the situations referred to in paragraph 1(a) without the latter's consent.

It shall similarly not apply to goods referred to in the first subparagraph which have been manufactured or bear a trade mark under conditions other than those agreed with the holder of the rights in question.

(*) OJ L 302, 19. 10. 1992, p. 1.

(**) OJ L 182, 2. 7. 1992, p. 1.

(***) OJ L 198, 8. 8. 1996, p. 30.

(****) OJ L 11, 4. 1. 1994, p. 1.;

3. the title of Chapter II shall be replaced by the following:

'Prohibition of the entry, release for free circulation, export, re-export, placing under a suspensive procedure, or placing in a free zone or free warehouse, of goods infringing certain intellectual property rights';

4. Article 2 shall be replaced by the following:

Article 2

The entry into the Community, release for free circulation, export, re-export, placing under a suspensive procedure or placing in a free zone or free warehouse of goods found to be goods referred to in Article

1(2)(a) on completion of the procedure provided for in Article 6 shall be prohibited.;

5. Article 3 shall be amended as follows:

(a) the following two subparagraphs shall be added to paragraph 1:

'Where the applicant holds a Community trade mark, the application may seek action not only by the customs authorities of the Member State in which the application is lodged but by the customs authorities of one or more other Member States as well.

Where electronic data interchange systems exist, Member States may provide that the application for customs action can be made by using a data processing technique.;

(b) the third subparagraph of paragraph 2 shall be replaced by the following:

'By way of indication, in the case of pirated goods or of goods infringing patents or certificates, that information shall, wherever possible, include.;

(c) paragraphs 3 and 4 shall be replaced by the following:

'3. Save where the second subparagraph of paragraph 1 is applied, the application must specify the length of the period during which the customs authorities are requested to take action.

Applications under the second subparagraph of paragraph 1 shall indicate the Member State or States in which the customs authorities are requested to take action.

4. The applicant may be charged a fee to cover the administrative costs incurred in dealing with the application.

The applicant or his representative may also be charged a fee in each of the Member States where the decision granting the application is effective, to cover the costs incurred in implementing the said decision.

Such fees shall not be disproportionate to the service provided.;

(d) the following third subparagraph shall be inserted in paragraph 5:

'Where an application is submitted under the second subparagraph of paragraph 1 the said period shall be set at one year, but may be extended for a further year, at the right-holder's request, by the service which took the original decision.;

(e) in the first indent of paragraph 6, the words 'counterfeit or pirated goods' shall be replaced by the words 'goods referred to in Article 1(2)(a)';

(f) the following text shall be added as the last subparagraph of paragraph 6:

'Where an application is submitted under the second subparagraph of paragraph 1, the security shall be provided in each of the Member States in which it is required and the decision granting the application is effective.';

(g) paragraph 7 shall be amended as follows:

'7. The holder of the right is required to inform the service referred to in paragraph 1 and, where appropriate, the service or services referred to in the second subparagraph of Article 5(2), if his right should happen no longer to be validly registered or to have expired.';

(h) the following paragraph 9 shall be added:

'9. Paragraphs 1 to 8 shall apply *mutatis mutandis* to the extension of the decision on the original application.';

6. in Article 4, the words 'counterfeit or pirated goods' shall be replaced by the words 'goods referred to in Article 1(2)(a)';

7. Article 5 shall be replaced by the following:

'Article 5

1. The decision granting the application by the holder of the right shall be forwarded immediately to the customs offices of the Member State which are liable to be concerned with the goods alleged in the application to be goods referred to in Article 1(2)(a).

2. Where an application is submitted under the second subparagraph of Article 3(1), the first indent of Article 250 of Regulation (EEC) No 2913/92 shall apply *mutatis mutandis* to the decision granting the said application and the decisions extending or repealing it.

When the decision granting the said application has been taken, it shall be up to the applicant to forward that decision together, where appropriate, with any other useful information and any translations to the customs-authority service referred to in the first subparagraph of Article 3(1) in the Member State or States where the applicant has requested that action be taken. However, with the agreement of the applicant, the information and translations may be forwarded directly by the customs-authority service which took the decision. The applicant shall provide additional information as deemed necessary for the

execution of the decision, at the request of the customs authorities of the other Member States concerned.

The period referred to in the third subparagraph of Article 3(5) shall run from the date on which the decision granting the application was taken. The said decision shall not enter into force in the Member State or States to which it is addressed until the submission referred to in the second subparagraph has been made and, where appropriate, until the fee referred to in the second subparagraph of Article 3(4) has been paid and the security referred to in Article 3(6) has been provided. However, the period of validity of the said decision may not, in any circumstances, exceed the period of one year from the date of adoption of the decision granting the original application.

The said decision shall then be forwarded immediately to the national customs offices liable to be concerned with the alleged counterfeit goods to which it relates.

This paragraph shall apply *mutatis mutandis* to any decision to extend the original decision.';

8. in the first subparagraph of Article 6(1), the words 'counterfeit or pirated goods' shall be replaced by the words 'goods referred to in Article 1(2)(a)';

9. Article 7(2) shall be replaced by the following:

'2. In the case of goods suspected of infringing patents, certificates or design rights, the owner, importer or consignee of the goods shall be able to have the goods in question released or their detention revoked against provision of a security, provided that:

(a) the customs service or office referred to in Article 6(1) has been informed, within the time limit referred to in paragraph 1 of this Article, that the matter has been referred to the authority competent to take a substantive decision referred to in the aforesaid paragraph 1;

(b) on expiry of the time limit, the authority empowered for this purpose has not imposed interim measures; and

(c) all the customs formalities have been completed.

The security must be sufficient to protect the interests of the holder of the right. Provision of the security shall be without prejudice to the other remedies open to the holder of the right. Where the matter has been referred to the authority competent to take a substantive decision other than on the

initiative of the holder of the patent, certificate or design right, the security shall be released if that person does not exercise his right to institute legal proceedings within 20 working days of the date on which he is notified of the suspension of release or detention. Where the second subparagraph of paragraph 1 applies, this period may be extended to a maximum of 30 working days.';

10. the title of Chapter V shall be replaced by the following:

'Provisions applicable to goods found to be goods infringing an intellectual property right';

11. Article 8 shall be replaced by the following:

Article 8

1. Without prejudice to the other forms of legal recourse open to the right-holder, Member States shall adopt the measures necessary to allow the competent authorities:

- (a) as a general rule, and in accordance with the relevant provisions of national law, to destroy goods found to be goods referred to in Article 1(2)(a), or dispose of them outside the channels of commerce in such a way as to preclude injury to the holder of the right, without compensation of any sort and without cost to the Exchequer;
- (b) to take, in respect of such goods, any other measures having the effect of effectively depriving the persons concerned of the economic benefits of the transaction.

Save in exceptional cases, simply removing the trademarks which have been affixed to the counterfeit goods without authorisation shall not be regarded as having such effect.

2. The goods referred to in Article 1(2)(a) may be handed over to the Exchequer. In that case, paragraph 1(a) shall apply.

3. In addition to the information given pursuant to the second subparagraph of Article 6(1) and under the conditions laid down therein, the customs office or the competent service shall inform the holder of the

right, upon request, of the names and addresses of the consignor, of the importer or exporter and of the manufacturer of the goods found to be goods referred to in Article 1(2)(a) and of the quantity of the goods in question.';

12. in Article 9, paragraphs 1 and 2 shall be replaced by the following:

'1. Save as provided by the law of the Member State in which an application in accordance with Article 3(2) is lodged or, in the case of an application under the second subparagraph of Article 3(1), by the law of the Member State in which goods referred to in Article 1(2)(a) escape detection by a customs office, the acceptance of an application shall not entitle the holder of a right to compensation where such goods are not detected by a customs office and are released or no action is taken to detain them in accordance with Article 6(1).

2. Save as provided by the law of the Member State in which the application is made or, in the case of an application under the second subparagraph of Article 3(1), by the law of the Member State in which loss or damage is incurred, exercise by a customs office or by another duly empowered authority of the powers conferred on them in regard to taking measures against goods referred to in Article 1(2)(a) shall not render them liable towards the persons involved in the operations referred to in Article 1(1)(a) or Article 4, in the event of their suffering loss or damage as a result of their action.';

13. in Article 11, the second sentence shall be replaced by the following:

'Such penalties shall be effective and proportionate and constitute an effective deterrent.'

Article 2

This Regulation shall enter into force on the day following its publication in the *Official Journal of the European Communities*.

This Regulation shall enter into force on 1 July 1999.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 25 January 1999.

For the Council

The President

J. FISCHER