Border measures – What you should tell Customs Authorities

by

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and

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Chairman of the Working Group on Trademarks and Designs BusinessEurope,
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Border Measures - What You Should Tell Customs Authorities
Honda: Anti-Counterfeiting

• officially founded in Japan in 1948

• has since grown into a global company

• has a worldwide presence and has become a household name

• recognised globally with a reputation for quality and excellence
Why is Honda fighting counterfeits?

1. Protect Customer Safety
2. Protect the Honda Brand and Quality Standards
3. Protect Honda’s Dealers and Distributors

Counterfeits of concern to Honda:

1. Counterfeit products bearing Honda trade marks
2. Copy Honda products bearing trade marks of other manufacturers
3. Copy Honda products without labels bearing any trade marks
Use of Honda trade marks on counterfeit products

Counterfeit (half of the price due to simplified, inferior technology)

Genuine
Re: use of Honda trade marks on counterfeit products

Helpful information to Customs:

• trade marks

• images of genuine products

• information on trade routes
Copy Honda products bearing trade marks of other manufacturers

Counterfeit

Genuine
Copy Honda products bearing trade marks of other manufacturers

Helpful information to Customs:

- Design, patent or trade mark (e.g. 3D or colour combination) registrations
- Images of genuine products
- Trade routes
- Any further information (e.g. when and where were similar copy products seized)
Copy Products that do not bear any Honda or manufacturer’s marks
Copy Products that do not bear any Honda or manufacturer’s marks

Helpful information to Customs:

• Design, patent or trade mark (e.g. 3D or colour combination) registrations

• images of genuine products

• trade routes

• any further information (e.g. any manuals that should accompany the generators)
Information to Supply to Customs:

Points to note:

1. Determine the types of information necessary for Customs to effectively seize goods at borders
   - trade marks
   - images of genuine products
   - images of counterfeit products previously seized
   - brief explanation of some distinctive features of the product and/or its packaging (e.g. genuine Honda packaging always features the HONDA trade mark)
   - shipping routes
   - avoid providing any sensitive information, particular to those Customs administrations that you are unfamiliar with

2. Determine the amount of information to provide to Customs: avoid giving too little or too much
   - avoid giving too much information as Customs will not have time to review
Information to Supply to Customs:

WCO IPM Tool

• good format on the types of information to provide to Customs
Product: Generator EM5500
Category: Power Products
Brand: HONDA
Company: Honda Motor Co., Ltd.
Address: 2-1-1 Minamiaoyama, Minato-ku
City: Tokyo
Postal code: 107-8556
Country: JP

Monetary value:
HS Code:

Product Reference:
Creation date: 08/07/2012
Update: 08/13/2012

Description:
Honda's corporate symbol
Comparison No. 1

Language: English (EN) ✔

Description:
GENUINE: Honda EM5500 petrol generator and packaging

Fake

Description:
- Fakes often use variations of model name (e.g. CXE instead of CXS)
- Fake packaging is often printed with GX trade mark, or GX followed by model number e.g. GX390
<table>
<thead>
<tr>
<th>FROM</th>
<th>TO</th>
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<tbody>
<tr>
<td>Location</td>
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<tr>
<td>Country</td>
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<tr>
<td>Nagoya, Aichi</td>
<td>Antwerp</td>
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<td>JP</td>
<td>BE</td>
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<td>Vessel</td>
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**Description:**

origin Japan
Conclusions:

• Need to assess the appropriate nature and amount of information to release to Customs (too much may not necessarily be a good thing)

• images are desirable

• IP registrations

• information on routes

• images and short descriptions of counterfeits seized in the past may also be helpful
Whom do we address?

- Custom authorities within the EU with focus on EU borders
Imports into EU

- China (1): 17.1%
- Rest of the world: 42.5%
- Russia: 11.7%
- United States: 5.5%
- Norway: 5.3%
- Switzerland: 5.3%
- Turkey: 2.8%
- Japan: 4.0%
Customs statistics
Customs statistics

Diagram 1: Countries of provenance by articles
- China: 72.95%
- United Arab Emirates: 2.80%
- India: 3.29%
- Greece: 4.79%
- Hong Kong: 7.67%
- Syria: 1.81%
- Turkey: 1.62%
- All other countries: 5.07%

Diagram 2: Countries of provenance by value
- China: 70.93%
- Singapore: 2.08%
- United Arab Emirates: 1.19%
- Greece: 2.12%
- Germany: 2.45%
- Turkey: 2.84%
- Hong Kong: 12.65%
- All other countries: 5.73%
Requests for Actions - Trademarks / Designs

- Requests can be applied for by way of
  - national application for action
  - Community application for action

- Irrespective of the approach (national application / Community application for action) the forms require some information to be disclosed to the authorities regarding „genuine“ goods as well as „fraud“ goods. In the following this will be shown by way of a national application

- Description of specific features of goods (positive / negative)
What should be disclosed?

National Application for Action

<table>
<thead>
<tr>
<th>NATIONAL APPLICATION FOR ACTION</th>
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<tbody>
<tr>
<td>1. Name of the applicant: ____________________________</td>
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<td>2. Nationality: ____________________________</td>
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<td>3. Address: ____________________________</td>
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<td>4. Telephone: ____________________________</td>
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<th>INTELLECTUAL PROPERTY RIGHTS</th>
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<td>1. Type of action: ____________________________</td>
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<td>3. Details of the alleged infringement: ____________________________</td>
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<th>ADDITIONAL INFORMATION</th>
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<td>Name and address of contact person: ____________________________</td>
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<td>Tel: ____________________________</td>
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<td>Fax: ____________________________</td>
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1. This application is approved for action
2. The application has been refused
3. The application is subject to examination

Date: ____________________________

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32nd ANNUAL CONFERENCE
BUCHAREST, 19-22 June 2013
What should be disclosed?
What should be disclosed? Authentic / genuine goods

Before customs is able to inspect goods they must, on the basis of information provided by the right-holder, be able to make a selection out of the total traffic of goods. This pre-arrival or pre-departure selection is based on risk-management. Information from the right-holder therefore has to be two-sided, information on the original goods and information on counterfeits. When inspecting goods on entry in particular, invoice document, freight documents, other business documents, cases and containers are examined. The inspection of documentation and declaration data therefore plays a very important role. Thus right-holder should supply customs authority with information about the delivery and those parties involved therein.
What should be disclosed? Authentic / genuine goods

### NATIONAL APPLICATION FOR ACTION

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**INTELLECTUAL PROPERTY RIGHTS**

**APPLICATION FOR ACTION BY CUSTOMS AUTHORITIES**

under Article 5(1) of Regulation (EC) No 1285/2007

**INFORMATION ON ESSENTIAL DATA ON THE AUTHENTIC GOODS (Box 1)**

**3.1. Where are the authentic goods produced?**

- [ ] Importer is mentioned in the list
- [ ] Schedule No.

**3.2. Give all authorized importers, suppliers, manufacturers, carriers, consignees or exporters**

- [ ] Importer is mentioned in the list
- [ ] Schedule No.

**3.3. Do third parties possess unauthorized imitations to market products and how do licensees legitimate themselves?**

Think through your own situation and ask yourself: whether all those certified as ‘genuine’ with your whose license requires written permission

- [ ] Importer is mentioned in the list
- [ ] Schedule No.

**3.4. Describe specific channels of distribution (e.g. general agencies, central-warehouse, dispatch department, traffic routes)**

- [ ] Importer is mentioned in the list
- [ ] Schedule No.

**3.5. Are genuine goods cleared in a specific procedure (e.g. summary customs procedures, customs warehousing, etc.)?**

- [ ] Importer is mentioned in the list
- [ ] Schedule No.

**3.6. At which customs offices are genuine goods normally cleared?**

- [ ] Importer is mentioned in the list
- [ ] Schedule No.

Where are the authentic goods produced?

All authorized importers, manufacturers, carriers, consignees, exporters

Third parties with authorisation to trade in branded products; how do licensees legitimate themselves

Specific channels of distribution (e.g. general agencies, central-warehouse, dispatch department, traffic routes

Are genuine goods cleared in a specific procedure (e.g. summary customs procedure, customs warehousing ...)

At which customs offices are genuine goods normally cleared?
What should be disclosed? Authentic / genuine goods (2)

- Are the authentic goods imported, exported or placed on the market using a particular distribution system (general agency, dispatch companies ...)
- Description of transport routes (air, sea, road, post)
- Packaging details of genuine goods (single packages, bulks, pallets, ...)
- Accompanying documents for genuine products (guarantee letters, manuals, instructions, ...)
- Typical features for packaging material of genuine goods (labels, colours, trademarks, holograms, ...)
- Exact position of such features and details
- Typical features of genuine goods (labels, colours, trademarks, holograms, ...)
- Exact position of such features and details
What should be disclosed? Authentic / genuine goods (3)

Provide pictures of genuine goods and packaging

If possible name the CN (Combined Nomenclature) heading of the genuine goods

Indicate customs value of genuine goods

Indicate market value of genuine goods on legitimate market in the country of action

Indicate average market value of genuine goods on legitimate market
**What should be disclosed? Fraud**

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<tr>
<th>INFORMATION CONCERNING THE TYPE OR PATTERN OF FRAUD (Box 6)</th>
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**Please give information on the following questions as far as you can:**

3. **Provide all available information on counterfeit goods that can be useful to identify suspect consignments, like:**

3.1. photos and videos of products

- Separate list: attached name of the lot: schedule 

3.2. names and addresses of the companies or individuals who act or have previously acted as manufacturers, distributors, intermediaries, transporters, importers, consignees or exporters

- Separate list: attached name of the lot: schedule 

3.3. channels of distribution (e.g., general agents, central warehousing, bonded/depot management, traffic, customs)

- Separate list: attached name of the lot: schedule 

3.4. sea and/or river ports or the airports within the Community

- Separate list: attached name of the lot: schedule 

3.5. means of transport

- Separate list: attached name of the lot: schedule 

3.6. specific customs procedures for counterfeited goods

- Separate list: attached name of the lot: schedule

---

**Places and countries of production**

**Names and addresses of companies or individuals previously acting as manufacturers, distributors, transporters, ...**

**Known channels of distribution**

**How and where do the goods enter the Community**

**Means of transport**

**Specific customs procedures for counterfeited goods**
What should be disclosed? Fraud (2)

4. Is it possible to conclude from the low custom value declared that the goods are counterfeit, e.g. because even the lowest purchase prices clearly exceed the prices of counterfeit products? What is the threshold for this amount?

5. Describe the special features of counterfeit goods used in former cases, like:
5.1. What specific features of the packaging were different or missing from the original?
5.2. What typical features do counterfeit goods not show: e.g. labels, security threads, holograms, etc.?
5.3. What typical features of the packaging of genuine goods do counterfeit goods not show?
5.4. Supply pictures comparing counterfeit and genuine goods and their packaging
5.5. Describe all other counterfeit goods not show: e.g. labels, security threads, holograms, etc.?

Places and countries of production

If known from former cases: what specific features of the packaging of counterfeit goods were different or missing compared to the genuine goods

If known from former cases: what accompanying documents of counterfeit goods were different or missing compared to the genuine goods

What typical features (labels, colours, trademarks, holograms, ...) of the packaging of genuine goods do counterfeit goods not show

Supply pictures comparing counterfeit and genuine goods and their packaging

What typical features (labels, colours, trademarks, holograms, ...) do counterfeit goods not show
What should be disclosed? Fraud (3)

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<td>2. Details of applicant:</td>
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<td>Address: ________________________</td>
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<tr>
<td>Topic: __________________________</td>
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<tr>
<td>Position: ________________________</td>
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<tr>
<td>Country: _________________________</td>
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By way of indication and where known, the right holder should also forward any other information they may have, like information concerning planned destruction. This information should be so detailed as to permit the customs authorities, reasonably, to cooperate effectively with law enforcement authorities. The information should include any additional information for the right holder's possession, name of the customs office, where the goods are to be imported into the Community or exported, name of the ship, name and address of importers, consignee, consignor or exporter, container number, shipping company, address, cargo number, forwarding department, number plate of the lorry, international customs port member, etc.

3. Please provide any other information on the right holder's possession:

☐ Separate list attached: name of the list

I. For the correct name and complement:

Data on vehicle drawn up: ________________
Place: ________________
Applicant's signature and stamp: ________________

DD/MM/YY: ________________
What should be disclosed? Additional remarks

• By way of indication and where known, right-holders should also forward any other information they may have, like information concerning planned deliveries. This information should be as detailed as possible to allow the customs authorities to identify suspect consignments and should include information on destination, name of the customs office, where the goods are to be imported into the Community or exported, name of the ship, name and address of importers, suppliers, manufacturer, carriers, consignee or exporter, container number, shipping company, airline, flight number, forwarding department, number plate of the lorry, inter-national custom pass number, etc.

• Translation: It is recommended to give the foregoing information in more than one language e.g. English / French / German to support customs authorities

• More information: Manual for lodging applications for customs actions (DG TAXUD)
Example 1

Seizure in Germany and destruction of a complete vehicle infringing Community trademark (3-dimensional) and design
Example 2

Not always items as big as a car but .....
Example 2 (cont.)

........ nevertheless products being counterfeited in big quantities
Use of other means

In addition to the use of house marks (brands) and/or product marks on the products or their packaging

- use of the packaging as trademarks and/or industrial designs itself
Use of other means (2)
Use of other means (3)

- Patents as basis for fight against counterfeit goods still undervalued
- Chance to develop products with technical (patentable) features will help fighting counterfeit goods
- Advantage: strong rights
- Disadvantage: sometimes difficult to prove infringements; expertise needed with customs, authorities; technical expert at right holder needed

- Example: Air Filter with patentable fixing technology
ADDITIONAL MEASURES

Specific training for Customs Authorities / Police
Sources:

- EUROSTAT
- EU Commission
  - DG MARKET
  - DG TAXUD
  - DG TRADE

Contact: IP-BAUER@INBOX.COM
Thank you