

**Fuente: Texto original del fallo aportado por UAIPIT-Portal Internacional de la
Universidad de Alicante en PI y SI- <http://www.uaipit.com>.**

JUDGMENT OF THE COURT (First Chamber)

1 December 2011

(Common commercial policy – Combating the entry into the European Union of
counterfeit and pirated goods – Regulations (EC) No 3295/94 and No 1383/2003
– Customs warehousing and external transit of goods from non-member States
which constitute imitations or copies of goods protected in the European Union by
intellectual property rights – Action by the authorities of the Member States –
Conditions)

In Joined Cases C-446/09 and C-495/09,

REFERENCES for a preliminary ruling under Articles 234 EC and 267 TFEU
from the Rechtbank van eerste aanleg te Antwerpen (Belgium) (C-446/09) and
from the Court of Appeal (England and Wales) (Civil Division) (C-495/09), made
by decisions of 4 and 26 November 2009 respectively, received at the Court on 17
November and 2 December 2009, in the proceedings

Koninklijke Philips Electronics NV (C-446/09)

v

Lucheng Meijing Industrial Company Ltd,

Far East Sourcing Ltd,

Röhlig Hong Kong Ltd,

Röhlig Belgium NV,

and

Nokia Corporation (C-495/09)

v

Her Majesty's Commissioners of Revenue and Customs,

intervener:

International Trademark Association,

THE COURT (First Chamber),

composed of A. Tizzano, President of the Chamber, A. Borg Barthet, M. Ilešič
(Rapporteur), E. Levits and M. Berger, Judges,

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Advocate General: P. Cruz Villalón,

Registrar: M. Ferreira, Principal Administrator,

having regard to the written procedure and further to the hearings on 18 November 2010,

after considering the observations submitted on behalf of:

- Koninklijke Philips Electronics NV, by C. De Meyer and C. Gommers, advocaten,
- Far East Sourcing Ltd, by A. Kegels, advocaat,
- Nokia Corporation, by J. Turner QC, instructed by A. Rajendra, Solicitor,
- International Trademark Association, by N. Saunders, Barrister, instructed by M. Harris and A. Carboni, Solicitors,
- the Belgian Government (C-446/09), by M. Jacobs and J.-C. Halleux, acting as Agents,
- the United Kingdom Government, by L. Seeboruth, acting as Agent, and T. de la Mare, Barrister,
- the Czech Government, by M. Smolek and K. Havlíčková, acting as Agents,
- the French Government (C-495/09), by B. Beaupère-Manokha, acting as Agent,
- the Italian Government, by G. Palmieri, acting as Agent, and by G. Albenzio (C-446/09) and W. Ferrante (C-495/09), avvocati dello Stato,
- the Polish Government (C-495/09), by M. Szpunar, M. Laszuk and E. Gromnicka, acting as Agents,
- the Portuguese Government (C-495/09), by L. Fernandes and I. Vieira Lopes, acting as Agents,
- the Finnish Government (C-495/09), by J. Heliskoski, acting as Agent,
- the European Commission, by W. Roels and B.-R. Killmann (C-446/09), and by B.-R. Killmann and R. Lyal (C-495/09), acting as Agents,

after hearing the Opinion of the Advocate General at the sitting on 3 February 2011,

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gives the following

Judgment

- 1 These references for a preliminary ruling concern the interpretation of 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 (OJ 1994 L 341, p. 8), as amended by Council Regulation (EC) No 241/1999 of 25 January 1999 (OJ 1999 L 27, p. 1), and of 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 (OJ 2003 L 196, p. 7).
- 2 The references have been made in proceedings between, first, Koninklijke Philips Electronics NV ('Philips') and Lucheng Meijing Industrial Company Ltd, established in Wenzhou (China) ('Lucheng'), Far East Sourcing Ltd, established in Hong Kong (China) ('Far East Sourcing'), and Röhlig Hong Kong Ltd and Röhlig Belgium NV (together 'Röhlig') concerning the entry into the customs territory of the European Union of goods allegedly infringing designs and copyright held by Philips (C-446/09) and, second, Nokia Corporation ('Nokia') and Her Majesty's Commissioners of Revenue and Customs ('HMRC') concerning the entry into that customs territory of goods allegedly infringing a trade mark of which Nokia is the proprietor (C-495/09).

Legal context

The Customs Code

- 3 The basic European Union rules on customs matters, set out in Council Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code (OJ 1992 L 302, p. 1), have been repealed and replaced by Regulation (EC) No 450/2008 of the European Parliament and of the Council of 23 April 2008 laying down the Community Customs Code (Modernised Customs Code) (OJ 2008 L 145, p. 1).
- 4 Regulation No 450/2008 entered into force on 24 June 2008 as regards its provisions granting powers to adopt implementing measures, while the date of entry into force of the other provisions was specified as being 24 June 2009 at the earliest and 24 June 2013 at the latest. Accordingly, having regard to the date of the events in the main proceedings, those actions continue to be governed by the rules laid down in Regulation No 2913/92, as amended, with regard to Case C-446/09, by Regulation (EC) No 2700/2000 of the European Parliament and of

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the Council of 16 November 2000 (OJ 2000 L 311, p. 17) and, with regard to Case C-495/09, by Regulation (EC) No 648/2005 of the European Parliament and of the Council of 13 April 2005 (OJ 2005 L 117, p. 13) ('the Customs Code').

5 Article 4 of the Customs Code provides:

'For the purposes of this Code, the following definitions shall apply:

...

(15) "Customs-approved treatment or use of goods" means:

- (a) the placing of goods under a customs procedure;
- (b) their entry into a free zone or free warehouse;
- (c) their re-exportation from the customs territory of the Community;
- (d) their destruction;
- (e) their abandonment to the Exchequer.

(16) "Customs procedure" means:

- (a) release for free circulation;
- (b) transit;
- (c) customs warehousing;
- (d) inward processing;
- (e) processing under customs control;
- (f) temporary admission;
- (g) outward processing;
- (h) exportation.

...

(20) "Release of goods" means the act whereby the customs authorities make goods available for the purposes stipulated by the customs procedure under which they are placed.

...'

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6 Article 37 of the Customs Code states:

‘1. Goods brought into the customs territory of the Community shall, from the time of their entry, be subject to customs supervision. ...

2. They shall remain under such supervision for as long as necessary to determine their customs status, if appropriate, and in the case of non-Community goods ..., until their customs status is changed, they enter a free zone or free warehouse or they are re-exported or destroyed ...’

7 Articles 48 to 50 of the Customs Code read as follows:

Article 48

Non-Community goods presented to customs shall be assigned a customs-approved treatment or use authorised for such non-Community goods.

Article 49

1. Where goods are covered by a summary declaration, the formalities necessary for them to be assigned a customs-approved treatment or use must be carried out within:

(a) 45 days from the date on which the summary declaration is lodged in the case of goods carried by sea;

(b) 20 days from the date on which the summary declaration is lodged in the case of goods carried otherwise than by sea.

...

Article 50

Until such time as they are [assigned] a customs-approved treatment or use, goods presented to customs shall, following such presentation, have the status of goods in temporary storage. ...’

8 The first sentence of Article 56 of the Customs Code provides:

‘Where the circumstances so require, the customs authorities may have goods presented to customs destroyed.’

9 Article 58 of the Customs Code provides:

‘1. Save as otherwise provided, goods may at any time, under the conditions laid down, be assigned any customs-approved treatment or use ...

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2. Paragraph 1 shall not preclude the imposition of prohibitions or restrictions justified on grounds of public morality, public policy or public security, the protection of health and life of humans, animals or plants, the protection of national treasures possessing artistic, historic or archaeological value or the protection of industrial and commercial property.'

10 Article 59(1) of the Customs Code provides that '[a]ll goods intended to be placed under a customs procedure shall be covered by a declaration for that customs procedure'.

11 Under Article 75 of the Customs Code:

'Any necessary measures, including confiscation and sale, shall be taken to deal with goods which:

(a) cannot be released because:

...

– the documents which must be produced before the goods can be placed under the customs procedure requested have not been produced; or,

...

– they are subject to bans or restrictions;

...'

12 Article 84(1) of the Customs Code provides:

'In Articles 85 to 90:

(a) where the term "procedure" is used, it is understood as applying, in the case of non-Community goods, to the following arrangements:

– external transit;

– customs warehousing;

– inward processing ...;

– processing under customs control;

– temporary importation.'

Fuente: Texto original del fallo aportado por UAIPIT-Portal Internacional de la Universidad de Alicante en PI y SI- <http://www.uaipit.com>.

13 Article 91(1) of the Customs Code states:

‘The external transit procedure shall allow the movement from one point to another within the customs territory of the Community of:

(a) non-Community goods, without such goods being subject to import duties and other charges or to commercial policy measures;

...’

14 Article 92 of the Customs Code states:

‘1. The external transit procedure shall end and the obligations of the holder shall be met when the goods placed under the procedure and the required documents are produced at the customs office of destination in accordance with the provisions of the procedure in question.

2. The customs authorities shall discharge the procedure when they are in a position to establish, on the basis of a comparison of the data available to the office of departure and those available to the customs office of destination, that the procedure has ended correctly.’

15 Article 98(1) of the Customs Code provides:

‘The customs warehousing procedure shall allow the storage in a customs warehouse of:

(a) non-Community goods, without such goods being subject to import duties or commercial policy measures;

...’

Regulations No 3295/94 and No 1383/2003

16 Regulation No 3295/94 was repealed, with effect from 1 July 2004, by Regulation No 1383/2003. In view of the time at which the events occurred, the main action in Case C-446/09 remains governed by Regulation No 3295/94, as amended by Regulation No 241/1999. On the other hand, the main action in Case C-495/09 is governed by Regulation No 1383/2003.

17 The second recital in the preamble to Regulation No 3295/94 stated:

‘... the marketing of counterfeit goods and pirated goods causes considerable injury to law-abiding manufacturers and traders and to holders of the copyright or neighbouring rights and misleads consumers; ... such goods should as far as possible be prevented from being placed on the market and measures should be

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adopted to that end to deal effectively with this unlawful activity without impeding the freedom of legitimate trade; ...’

18 Recitals 2 and 3 in the preamble to Regulation No 1383/2003 are worded as follows:

‘(2) The marketing of ... goods infringing intellectual property rights does considerable damage 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 ... without impeding the freedom of legitimate trade. ...

(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 transshipment, 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.’

19 Article 1 of Regulation No 1383/2003 states:

‘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 ...

(b) when they are found during checks on goods entering or leaving the Community customs territory in accordance with Articles 37 and 183 of [the Customs Code], placed under a suspensive procedure within the meaning of Article 84(1)(a) of that [Code], in the process of being re-exported subject to notification ... or placed in a free zone or free warehouse ...

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.’

20 Article 1(1) of Regulation No 3295/94, as amended by Regulation No 241/1999 (‘Regulation No 3295/94’), which is applicable to the main action in Case C-446/09, was worded in terms analogous to those of Article 1(1) of Regulation No 1383/2003.

21 Under Article 2(1) of Regulation No 1383/2003, ‘goods infringing an intellectual property right’ means:

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- ‘(a) “counterfeit goods”, namely:
 - (i) goods ... 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 [(OJ 1994 L 11, p. 1)] or the law of the Member State in which the application for action by the customs authorities is made;
 - ...
 - (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 ... 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 [(OJ 2002 L 3, p. 1)] or the law of the Member State in which the application for customs action is made;
 - (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 ...
 - (iii) a national plant variety right ...
 - (iv) designations of origin or geographical indications ...
 - (v) geographical designations ...’

22 Article 1(2) of Regulation No 3295/94 was worded in terms analogous to those of Article 2(1) of Regulation No 1383/2003.

23 Article 5(1) of Regulation No 1383/2003 provides:

‘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).’

24 Under Article 4(1) of that regulation:

‘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

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an intellectual property right, they may suspend the release of the goods or detain them ... in order to enable the right-holder to submit an application for action in accordance with Article 5.'

25 The content of Articles 3(1) and 4 of Regulation No 3295/94 was analogous to that of Articles 5(1) and 4(1) of Regulation No 1383/2003 respectively.

26 Articles 9 and 10 of Regulation No 1383/2003, which are included in Chapter III thereof, entitled 'Conditions governing action by the customs authorities and by the authority competent to decide on the case', provide:

'Article 9

1. Where a customs office to which the decision granting an application by the right-holder has been forwarded ... is satisfied, after consulting the applicant where necessary, that goods in one of the situations referred to in Article 1(1) are suspected of infringing an intellectual property right covered by that decision, it shall suspend release of the goods or detain them.

...

3. With a view to establishing whether an intellectual property right has been infringed ..., the customs office or department which processed the application shall inform the right-holder, at his request and if known, of the names and addresses of the consignee, the consignor, the declarant or the holder of the goods

...

...

Article 10

The law in force in the Member State within the territory of which the goods are placed in one of the situations referred to in Article 1(1) shall apply when deciding whether an intellectual property right has been infringed under national law.

...'

27 Analogously, Article 6 of Regulation No 3295/94 stated:

'1. Where a customs office to which the decision granting an application by the holder of a right has been forwarded ... is satisfied, after consulting the applicant where necessary, that goods placed in one of the situations referred to in Article 1(1)(a) correspond to the description of the goods referred to in Article 1(2)(a) contained in that decision, it shall suspend release of the goods or detain them.

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... the customs office or the service which dealt with the application shall notify the holder of the right, at his request, of the name and address of the declarant and, if known, of those of the consignee so as to enable the holder of the right to ask the competent authorities to take a substantive decision. ...

...

2. The law in force in the Member State within the territory of which the goods are placed in one of the situations referred to in Article 1(1)(a) shall apply as regards:

- (a) referral to the authority competent to take a substantive decision and immediate notification of the customs service or office referred to in paragraph 1 of that referral ...
- (b) reaching the decision to be taken by that authority. In the absence of Community rules in this regard, the criteria to be used in reaching that decision shall be the same as those used to determine whether goods produced in the Member State concerned infringe the rights of the holder. ...'

28 Article 16 of Regulation No 1383/2003 provides:

'Goods found to infringe an intellectual property right at the end of the procedure provided for in Article 9 shall not be:

- allowed to enter into the Community customs territory,
- released for free circulation,
- removed from the Community customs territory,
- exported,
- re-exported,
- placed under a suspensive procedure or
- placed in a free zone or free warehouse.'

29 Analogously, Article 2 of Regulation No 3295/94 stated:

'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.'

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- 30 Article 18 of Regulation No 1383/2003 provides that '[e]ach Member State shall introduce penalties to apply in cases of violation of this Regulation. Such penalties must be effective, proportionate and dissuasive'. Article 11 of Regulation No 3295/94 was worded in similar terms.

International rules

- 31 The Agreement on Trade-Related Aspects of Intellectual Property Rights ('the TRIPS Agreement'), which constitutes Annex 1 C to the Agreement establishing the World Trade Organisation (WTO), signed in Marrakech on 15 April 1994 and approved by Council Decision 94/800/EC of 22 December 1994 concerning the conclusion on behalf of the European Community, as regards matters within its competence, of the agreements reached in the Uruguay Round multilateral negotiations (1986-1994) (OJ 1994 L 336, p. 1), states in Article 69:

'Members agree to cooperate with each other with a view to eliminating international trade in goods infringing intellectual property rights. For this purpose, they shall establish and notify contact points in their administrations and be ready to exchange information on trade in infringing goods. They shall, in particular, promote the exchange of information and cooperation between customs authorities with regard to trade in counterfeit trademark goods and pirated copyright goods.'

The disputes in the main proceedings and the questions referred for a preliminary ruling

Case C-446/09

- 32 On 7 November 2002, in the port of Antwerp (Belgium), the Belgian customs authorities inspected a cargo of electric shavers from China resembling designs of shavers developed by Philips. Since those designs were protected by registrations granting exclusive rights to Philips in a number of States, including the Kingdom of Belgium, the Belgian customs authorities suspected that the goods inspected constituted pirated goods. Accordingly, they suspended release of the goods within the meaning of Article 4 of Regulation No 3295/94.
- 33 On 12 November 2002, in accordance with Article 3 of that regulation, Philips lodged an application for action.
- 34 Following that application, which was granted on 13 November 2002, the Belgian customs authorities sent certain information to Philips, such as a photograph of the shavers and the identity of the undertakings involved in their manufacture and marketing, namely Lucheng, the manufacturer, Far East Sourcing, the shipper, and Röhlig, the forwarding agent.

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- 35 On 9 December 2002, those authorities detained the goods within the meaning of Article 6(1) of Regulation No 3295/94.
- 36 On 11 December 2002, Philips brought an action against Lucheng, Far East Sourcing and Röhlig before the Rechtbank van eerste aanleg te Antwerpen (Court of First Instance, Antwerp) seeking in particular a ruling that those undertakings had infringed the exclusive right conferred by the designs for Philips' shavers and copyrights held by it. Philips also seeks an order, first, that those undertakings pay it damages and, second, that the detained goods be destroyed.
- 37 It has been established before the Rechtbank van eerste aanleg te Antwerpen that the goods were covered initially by a summary declaration of entry giving them the status of goods in temporary storage and, on 29 January 2003, by a customs declaration made by Röhlig by which, in the absence of certainty as to the destination of those goods, it requested that they be placed under the customs warehousing procedure.
- 38 Philips submits before that court that, with a view to establishing the existence of an infringement of the intellectual property rights relied on, it is appropriate to proceed on the basis of the fiction that goods such as those at issue, being held in a customs warehouse in the territory of the Kingdom of Belgium and detained there by the Belgian customs authorities, are deemed to have been manufactured in that Member State. In support of that argument, Philips relies on Article 6(2)(b) of Regulation No 3295/94.
- 39 On the other hand, Far East Sourcing, the only defendant to appear before the Rechtbank van eerste aanleg te Antwerpen, claims before that court that goods cannot be detained and subsequently classified as goods infringing an intellectual property right in the absence of any evidence that they will be put on sale in the European Union.
- 40 It is in those circumstances that the Rechtbank van eerste aanleg te Antwerpen decided to stay the proceedings and to refer the following question to the Court for a preliminary ruling:

‘Does Article 6(2)(b) of [Regulation No 3295/94] constitute a uniform rule of Community law which must be taken into account by the court of the Member State which ... has been approached by the holder of an intellectual property right, and does that rule imply that, in making its decision, the court may not take into account the temporary storage status/transit status and must apply the fiction that the goods were manufactured in that same Member State, and must then decide, by applying the law of that Member State, whether those goods infringe the intellectual property right in question?’

Case C-495/09

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- 41 In July 2008, HMRC inspected at London Heathrow Airport (United Kingdom) a consignment of mobile telephones and mobile telephone accessories which had come from Hong Kong (China) and was destined for Colombia. Those goods bore a sign identical to a Community trade mark of which Nokia is the proprietor.
- 42 Suspecting that the goods were fake, on 30 July 2008 HMRC sent Nokia samples of those goods. After inspecting the samples, Nokia notified HMRC that the goods were indeed fake and asked whether HMRC would be prepared to seize the consignment pursuant to Regulation No 1383/2003.
- 43 On 6 August 2008, HMRC replied to Nokia, stating that, having regard to the fact that the consignment was destined for Colombia and in the absence of evidence that the goods would be diverted onto the European Union market, it could not be concluded that they were ‘counterfeit goods’ within the meaning of Article 2(1)(a)(i) of Regulation No 1383/2003. The consignment could therefore not, in the view of HMRC, be detained.
- 44 On 20 August 2008, Nokia made a request as provided for in Article 9(3) of Regulation No 1383/2003, asking for the names and addresses of the consignor and the consignee together with all the documents relating to the goods at issue. HMRC sent the information which it held, but after examining it, Nokia was unable to identify the consignor or the consignee of the goods and concluded that they had both taken steps to disguise their identity.
- 45 On 24 September 2008, Nokia sent a letter before action to HMRC putting it on notice of Nokia’s intention to file an application for judicial review of the decision not to seize the consignment. On 10 October 2008, HMRC responded that, in accordance with its policy introduced following the judgment in Case C-281/05 *Montex Holdings* [2006] ECR I-10881, goods suspected of infringing intellectual property rights were not to be detained in cases such as the present one, in the absence of evidence showing that diversion of the goods onto the European Union market was likely.
- 46 On 31 October 2008, Nokia brought an action against HMRC before the High Court of Justice of England and Wales, Chancery Division, which was dismissed by judgment of 29 July 2009. Nokia appealed to the referring court against that judgment.
- 47 The referring court found, firstly, that the telephones in question were fake goods under the mark of which Nokia is the proprietor and, secondly, that there was no evidence to suggest that those goods would be put on sale in the European Union. Having regard to the action brought, in similar circumstances, by Philips before the *Rechtbank van eerste aanleg te Antwerpen* and to the differences in interpretation in the case-law of the Member States, the Court of Appeal (England

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and Wales) (Civil Division) decided to stay the proceedings and to refer the following question to the Court for a preliminary ruling:

‘Are non-Community goods bearing a Community trade mark which are subject to customs supervision in a Member State and in transit from a non-member State to another non-member State capable of constituting “counterfeit goods” within the meaning of Article 2(1)(a) of Regulation [No 1383/2003] if there is no evidence to suggest that those goods will be put on the market in the [European Community], either in conformity with a customs procedure or by means of an illicit diversion?’

- 48 By order of the President of the First Chamber of 11 January 2011, Cases C-446/09 and C-495/09 were joined for the purposes of the Opinion and the judgment.

Consideration of the questions referred

- 49 By their questions, which it is appropriate to consider together, the referring courts ask, in essence, whether goods coming from a non-member State which are imitations of goods protected in the European Union by a trade mark right or copies of goods protected in the European Union by copyright, a related right or a design can be classified as ‘counterfeit goods’ or ‘pirated goods’ within the meaning of Regulation No 1383/2003 and, before the entry into force of that regulation, within the meaning of Regulation No 3295/94 merely on the basis of the fact that they are brought into the customs territory of the European Union, without being released for free circulation there.
- 50 According to the definition of the terms ‘counterfeit goods’ and ‘pirated goods’ in Article 1(2) of Regulation No 3295/94 and Article 2(1) of Regulation No 1383/2003, they cover infringements of a trade mark, copyright, a related right or a design which applies pursuant to European Union legislation or pursuant to the domestic law of the Member State in which the application for action by the customs authorities is made. It follows that only infringements of intellectual property rights as conferred by European Union law and the national law of the Member States are covered.
- 51 In the main proceedings, it is not in dispute that the shavers detained in the port of Antwerp could, where appropriate, be classified as ‘pirated goods’ within the meaning of Regulation No 3295/94 if they were put on sale in Belgium or in another Member State where Philips holds a copyright and enjoys the design protection on which it relies, or that the mobile telephones inspected at London Heathrow Airport would infringe the Community trade mark relied on by Nokia and would therefore be ‘counterfeit goods’ within the meaning of Regulation No 1383/2003 if they were put on sale in the European Union. However, the parties to the main proceedings, the Member States which have submitted

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observations to the Court and the European Commission disagree on whether those goods can infringe those intellectual property rights by reason of the mere fact that they have been the subject, in the customs territory of the European Union, of a declaration seeking one of the suspensive procedures referred to in Article 84 of the Customs Code, namely, in Case C-446/09, customs warehousing and, in Case C-495/09, external transit.

- 52 Referring, in particular, to the risk of fraudulent diversion of goods declared under a suspensive procedure to consumers in the European Union and to the risks to health and safety often posed by goods which are imitations or copies, Philips, Nokia, the Belgian, French, Italian, Polish, Portuguese and Finnish Governments and the International Trademark Association submit that imitations and copies discovered while warehoused or in transit in a Member State must be detained and, where appropriate, removed from trading without it being necessary to have evidence to suggest or to show that those goods are or will be put on sale in the European Union. Since such evidence is, as a general rule, difficult to gather, the need to provide it would negate the effectiveness of Regulations No 3295/94 and No 1383/2003.
- 53 In order for Regulations No 3295/94 and No 1383/2003 to be applied effectively, Philips and the Belgian Government suggest accepting the fiction that goods declared for warehousing or for transit which are covered by an application for action within the meaning of those regulations are deemed to have been manufactured in the Member State where that application is made, even though it is not in dispute that they were manufactured in a non-member State (production fiction).
- 54 Far East Sourcing, the United Kingdom and Czech Governments and the Commission, while recognising the problems connected with the international traffic in imitations and copies, argue that goods cannot be classified as ‘counterfeit goods’ or ‘pirated goods’ within the meaning of those regulations where there are no indications suggesting that the goods in question will be put on sale in the European Union. The contrary interpretation would unduly extend the territorial scope of intellectual property rights conferred by European Union law and by the national law of the Member States and would, in many cases, hinder legitimate international trade transactions in goods transiting through the European Union.

The temporary detention of goods placed under a suspensive customs procedure

- 55 As follows from Articles 91, 92 and 98 of the Customs Code, the transit and customs warehousing procedures are respectively characterised by the movement of goods between customs offices and the storage of goods in a warehouse under customs supervision. On any view, those operations cannot, as such, be regarded as the putting of goods on sale in the European Union (see, with regard to

Fuente: Texto original del fallo aportado por UAIPIT-Portal Internacional de la Universidad de Alicante en PI y SI- <http://www.uaipit.com>.

intra-Community transit operations, Case C-115/02 *Rioglass and Transremar* [2003] ECR I-12705, paragraph 27, and *Montex Holdings*, paragraph 19).

- 56 The Court has repeatedly deduced from that fact that goods placed under a suspensive customs procedure cannot, merely by the fact of being so placed, infringe intellectual property rights applicable in the European Union (see *inter alia*, as regards rights concerning designs, Case C-23/99 *Commission v France* [2000] ECR I-7653, paragraphs 42 and 43, and, as regards rights conferred by trade marks, *Rioglass and Transremar*, paragraph 27, Case C-405/03 *Class International* [2005] ECR I-8735, paragraph 47, and *Montex Holdings*, paragraph 21).
- 57 On the other hand, those rights may be infringed where, during their placement under a suspensive procedure in the customs territory of the European Union, or even before their arrival in that territory, goods coming from non-member States are the subject of a commercial act directed at European Union consumers, such as a sale, offer for sale or advertising (see *Class International*, paragraph 61, and Case C-324/09 *L'Oréal and Others* [2011] ECR I-0000, paragraph 67).
- 58 Having regard to the risk, previously pointed out by the Court in Case C-383/98 *Polo/Lauren* [2000] ECR I-2519, paragraph 34, of fraudulent diversion to European Union consumers of goods warehoused in the customs territory of the European Union or transiting that territory, it must be stated that, in addition to the existence of a commercial act already directed to those consumers, other circumstances can also lead to temporary detention by the customs authorities of the Member States of imitations or copies which are declared under a suspensive procedure.
- 59 As the French, Italian and Polish Governments have pointed out, the placing of goods from a non-member State under a suspensive procedure is often requested in circumstances where the destination of the goods is either unknown or declared in a manner which is unreliable. Having regard, in addition, to the secretive nature of the activities of traffickers of goods which are imitations or copies, the detention by customs authorities of goods which they have identified as being imitations or copies cannot, without reducing the effectiveness of Regulations No 3295/94 and No 1383/2003, be made subject to a requirement for proof that those goods have already been sold, offered for sale or advertised to European Union consumers.
- 60 On the contrary, a customs authority which has established the presence in warehousing or in transit of goods which are an imitation or a copy of a product protected in the European Union by an intellectual property right can legitimately act when there are indications before it that one or more of the operators involved in the manufacture, consignment or distribution of the goods, while not having yet

Fuente: Texto original del fallo aportado por UAIPIT-Portal Internacional de la Universidad de Alicante en PI y SI- <http://www.uaipit.com>.

begun to direct the goods towards European Union consumers, are about to do so or are disguising their commercial intentions.

- 61 With regard to the indications required to be before that authority in order for it to suspend release of or detain goods within the meaning of Article 6(1) of Regulation No 3295/94 and Article 9(1) of Regulation No 1383/2003, it is sufficient, as the Advocate General has noted in points 96, 97, 110 and 111 of his Opinion, that there be material such as to give rise to suspicion. That material may include the fact that the destination of the goods is not declared whereas the suspensive procedure requested requires such a declaration, the lack of precise or reliable information as to the identity or address of the manufacturer or consignor of the goods, a lack of cooperation with the customs authorities or the discovery of documents or correspondence concerning the goods in question suggesting that there is liable to be a diversion of those goods to European Union consumers.
- 62 As the Advocate General has observed in point 106 of his Opinion, such a suspicion must, in all cases, be based on the facts of the case. If that suspicion and the resulting action were capable of being based merely on the abstract consideration that fraudulent diversion to European Union consumers cannot necessarily be ruled out, all goods in external transit or customs warehousing could be detained without the slightest concrete indication of an irregularity. Such a situation would give rise to a risk that actions of the Member States' customs authorities would be random and excessive.
- 63 It should be borne in mind, in that regard, that imitations and copies coming from a non-member State and transported to another non-member State may comply with the intellectual property provisions in force in each of those States. In the light of the common commercial policy's main objective, set out in Article 131 EC and Article 206 TFEU and consisting in the development of world trade through the progressive abolition of restrictions on trade between States, it is essential that those goods be able to pass in transit, via the European Union, from one non-member State to another without that operation being hindered, even by a temporary detention, by Member States' customs authorities. Precisely such hindrance would be created if Regulations No 3295/94 and No 1383/2003 were interpreted as permitting the detention of goods in transit without the slightest indication suggesting that they could be fraudulently diverted to European Union consumers.
- 64 That consideration is moreover corroborated by the second recital in the preamble to those regulations, stating that the objective of the European Union legislature is restricted to preventing goods infringing intellectual property rights from being 'placed on the market' and to adopting measures for that purpose 'without impeding the freedom of legitimate trade'.

Fuente: Texto original del fallo aportado por UAIPIT-Portal Internacional de la Universidad de Alicante en PI y SI- <http://www.uaipit.com>.

- 65 Finally, with regard to goods in respect of which there is no indication as referred to in paragraph 61 of this judgment, but in respect of which there are suspicions of infringement of an intellectual property right in the presumed non-member State of destination, it must be noted that the customs authorities of the Member States where those goods are in external transit are permitted to cooperate, pursuant to Article 69 of the TRIPS Agreement, with the customs authorities of that non-member State with a view to removing those goods from international trade where appropriate.
- 66 It is in the light of the foregoing details that, in order to assess whether the refusal issued by HMRC to Nokia complies with Article 9(1) of Regulation No 1383/2003, the Court of Appeal (England and Wales) (Civil Division) must examine whether there were indications before HMRC such as to give rise to suspicion for the purposes of that provision, requiring them, in consequence, to suspend release of or detain the goods under that regulation in order to immobilise them pending the determination to be made by the authority competent to take a substantive decision. The facts relied on by Nokia and mentioned in the order for reference, relating, inter alia, to the fact that it was impossible to identify the consignor of the goods in question, would, if they were to prove correct, be relevant in that regard.
- The substantive decision following the temporary detention of goods placed under a suspensive customs procedure*
- 67 Unlike the Court of Appeal (England and Wales) (Civil Division), which is called upon to settle the dispute between Nokia and HMRC concerning the refusal of HMRC to detain goods, the Rechtbank van eerste aanleg te Antwerpen, in the case brought by Philips, will have to ascertain, in accordance with Article 6(2)(b) of Regulation No 3295/94 (now the first paragraph of Article 10 of Regulation No 1383/2003), whether goods already detained by the customs authorities under Article 6(1) of Regulation No 3295/94 do actually infringe the intellectual property rights relied upon.
- 68 Unlike the decision taken by the customs authority to detain the goods temporarily, by means of the detention provided for in Article 6(1) of Regulation No 3295/94 and Article 9(1) of Regulation No 1383/2003, the substantive decision as referred to in Article 6(2)(b) of Regulation No 3295/94 and the first paragraph of Article 10 of Regulation No 1383/2003 cannot be adopted on the basis of a suspicion but must be based on an examination of whether there is proof of an infringement of the right relied upon.
- 69 In the event that the judicial or other authority competent to take a substantive decision finds an infringement of the intellectual property right relied upon, the destruction or abandonment of the goods in question is the only customs-approved treatment which they can receive. That follows from Article 2 of Regulation No 3295/94 and Article 16 of Regulation No 1383/2003, read in conjunction with

Fuente: Texto original del fallo aportado por UAIPIT-Portal Internacional de la Universidad de Alicante en PI y SI- <http://www.uaipit.com>.

Article 4 of the Customs Code, while Articles 11 and 18 respectively of those regulations state, in addition, that effective and dissuasive penalties must be laid down for infringements found on the basis of those regulations. It is clear that the operators concerned cannot suffer such dispossession or penalties on the sole basis of a risk of fraud or on the basis of a fiction such as that proposed by Philips and the Belgian Government.

- 70 Consequently, as the United Kingdom and Czech Governments and the Commission rightly point out, the authority competent to take a substantive decision cannot classify as ‘counterfeit goods’ and ‘pirated goods’ or, more generally, ‘goods infringing an intellectual property right’ goods which a customs authority suspects of infringing an intellectual property right applicable in the European Union but in respect of which, after substantive examination, it is not proven that they are intended to be put on sale in the European Union.
- 71 With regard to the evidence which the authority competent to take a substantive decision must have in order to find that goods which are imitations or copies and have been brought into the customs territory of the European Union without being released for free circulation there are liable to infringe an intellectual property right applicable in the European Union, it must be stated that such evidence may include the existence of a sale of goods to a customer in the European Union, of an offer for sale or advertising addressed to consumers in the European Union, or of documents or correspondence concerning the goods in question showing that diversion of those goods to European Union consumers is envisaged.
- 72 The interpretation given in the preceding paragraph regarding the standard of proof before the authority competent to take a substantive decision is not invalidated by the observations submitted to the Court by some parties to the main proceedings and some governments to the effect that any failure, as a result of that requirement relating to the standard of proof, to destroy imitations or copies discovered in the customs territory of the European Union compromises the effectiveness of Regulations No 3295/94 and No 1383/2003 and, furthermore, disregards the fact that, in many branches of commerce, including those involving electrical items, such goods pose risks for the health and safety of consumers.
- 73 As regards, firstly, the effectiveness of those regulations, it must be stated that effective combating of unlawful operations is not weakened by the fact that the customs authority which has detained goods is required to end that action whenever the authority competent to take a substantive decision finds that it is not duly proven that the goods are intended to be put on sale in the European Union.
- 74 The end of detention of goods carried out under Regulations No 3295/94 and No 1383/2003 does not in any way imply that those goods will from then on escape customs supervision. It is apparent from Article 37 of the Customs Code and the implementing provisions of that code that each stage of a suspensive

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procedure, such as that relating to external transit, must be rigorously monitored and documented by the Member States' customs authorities and that any significant derogation from the data given on the customs declaration may give rise to an action in respect of the goods by those authorities.

- 75 Nor is the combating of unlawful operations impeded by the fact, already found by the Court, that it is impossible for the holder of the intellectual property right to refer the case to the authority competent to take a substantive decision if the operators responsible for the presence of the goods in question in the customs territory of the European Union have conceded their identity (Case C-223/98 *Adidas* [1999] ECR I-7081, paragraph 27). It must be borne in mind, in that regard, that European Union customs law establishes the principle that all goods intended to be placed under a customs procedure must be covered by a declaration (Case C-138/10 *DP grup* [2011] ECR I-0000, paragraph 33). As is clear from Article 59 of the Customs Code and the implementing provisions of that code, a declaration which does not permit identification since the name or address of the declarant or other relevant operators is concealed will have the consequence that the release of the goods for the purposes provided for by the customs procedure requested cannot be validly granted. Moreover, if the lack of reliable information as to the identity or address of the operators responsible persists, the goods are liable, under Article 75 of the Customs Code, to be confiscated.
- 76 As regards, secondly, the risks to consumers' health and safety which goods that are imitations or copies sometimes pose, it is apparent from the file and from recital 2 in the preamble to Regulation No 1383/2003 that those risks are amply documented and their existence recognised by the European Union legislature. Furthermore, as, inter alia, Nokia and the Portuguese Government have pointed out, precautionary considerations may militate in favour of an immediate seizure of goods identified as posing such risks, irrespective of the customs procedure under which they are placed. In such a context, the question whether the operators responsible for the manufacture and distribution of those goods direct them to consumers in the European Union or in non-member States is irrelevant.
- 77 The fact remains, however, that Regulations No 3295/94 and No 1383/2003, interpretation of which is requested by the referring courts, deal only with combating the entry into the European Union of goods which infringe intellectual property rights. In the interest of correct management of the risks for the health and safety of consumers, it must be stated that the powers and obligations of the Member States' customs authorities as regards goods posing such risks must be assessed on the basis of other provisions of European Union law, such as Articles 56, 58 and 75 of the Customs Code.
- 78 Having regard to all the foregoing considerations, the answer to the questions referred is that Regulations No 3295/94 and No 1383/2003 must be interpreted as meaning that:

Fuente: Texto original del fallo aportado por UAIPIT-Portal Internacional de la Universidad de Alicante en PI y SI- <http://www.uaipit.com>.

- goods coming from a non-member State which are imitations of goods protected in the European Union by a trade mark right or copies of goods protected in the European Union by copyright, a related right or a design cannot be classified as ‘counterfeit goods’ or ‘pirated goods’ within the meaning of those regulations merely on the basis of the fact that they are brought into the customs territory of the European Union under a suspensive procedure;
- those goods may, on the other hand, infringe the right in question and therefore be classified as ‘counterfeit goods’ or ‘pirated goods’ where it is proven that they are intended to be put on sale in the European Union, such proof being provided, inter alia, where it turns out that the goods have been sold to a customer in the European Union or offered for sale or advertised to consumers in the European Union, or where it is apparent from documents or correspondence concerning the goods that their diversion to European Union consumers is envisaged;
- in order that the authority competent to take a substantive decision may profitably examine whether such proof and the other elements constituting an infringement of the intellectual property right relied upon exist, the customs authority to which an application for action is made must, as soon as there are indications before it giving grounds for suspecting that such an infringement exists, suspend the release of or detain those goods; and
- those indications may include, inter alia, the fact that the destination of the goods is not declared whereas the suspensive procedure requested requires such a declaration, the lack of precise or reliable information as to the identity or address of the manufacturer or consignor of the goods, a lack of cooperation with the customs authorities or the discovery of documents or correspondence concerning the goods in question suggesting that there is liable to be a diversion of those goods to European Union consumers.

Costs

- 79 Since these proceedings are, for the parties to the main proceedings, a step in the actions pending before the referring courts, the decision on costs is a matter for those courts. Costs incurred in submitting observations to the Court, other than the costs of those parties, are not recoverable.

On those grounds, the Court (First Chamber) hereby rules:

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

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property rights, as amended by Council Regulation (EC) No 241/1999 of 25 January 1999, and 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 must be interpreted as meaning that:

- goods coming from a non-member State which are imitations of goods protected in the European Union by a trade mark right or copies of goods protected in the European Union by copyright, a related right or a design cannot be classified as ‘counterfeit goods’ or ‘pirated goods’ within the meaning of those regulations merely on the basis of the fact that they are brought into the customs territory of the European Union under a suspensive procedure;**
- those goods may, on the other hand, infringe the right in question and therefore be classified as ‘counterfeit goods’ or ‘pirated goods’ where it is proven that they are intended to be put on sale in the European Union, such proof being provided, inter alia, where it turns that the goods have been sold to a customer in the European Union or offered for sale or advertised to consumers in the European Union, or where it is apparent from documents or correspondence concerning the goods that their diversion to European Union consumers is envisaged;**
- in order that the authority competent to take a substantive decision may profitably examine whether such proof and the other elements constituting an infringement of the intellectual property right relied upon exist, the customs authority to which an application for action is made must, as soon as there are indications before it giving grounds for suspecting that such an infringement exists, suspend the release of or detain those goods; and**
- those indications may include, inter alia, the fact that the destination of the goods is not declared whereas the suspensive procedure requested requires such a declaration, the lack of precise or reliable information as to the identity or address of the manufacturer or consignor of the goods, a lack of cooperation with the customs authorities or the discovery of documents or correspondence concerning the goods in question suggesting that there is liable to be a diversion of those goods to European Union consumers.**

[Signatures]

* Languages of the case: Dutch and English.