

BETWEEN

NOKIA CORPORATION

Claimant/ Appellant

- and -

HER MAJESTY'S COMMISSIONERS OF REVENUE AND CUSTOMS

Defendant/ Respondent

- and -

INTERNATIONAL TRADEMARK ASSOCIATION

Proposed Intervener

SUBMISSION OF PROPOSED INTERVENER

INTRODUCTION

The International Trademark Association (INTA), through its Europe Amicus subcommittee, has prepared this Submission in relation to this case.

In part 1 of this Submission INTA sets out the basis on which it seeks to intervene. In part 2 of this Submission, INTA sets out the comments it wishes to put forward in relation to the case.

1. APPLICATION TO INTERVENE

Form of Intervention

- 1.1 INTA wishes to intervene on behalf of its members in order to put its views to the Court of Appeal in the form of Section 2 of this Submission. INTA does not seek to participate any further than this in the case so far as the appeal is concerned, and does not ask to make oral representations at the hearing.

What is INTA?

- 1.2 INTA is a 131-year-old not-for-profit organisation of trade mark owners and practitioners from more than 190 countries throughout the world. INTA is dedicated to the support and advancement of trade marks and related intellectual property concepts

as essential elements of commerce. Its current membership of over 5600 companies and firms crosses all industry lines, including manufacturers and retailers in industries ranging from aerospace to consumer goods and service providers. INTA's membership includes approximately 1000 brand owners, law firms and trade mark attorneys in all 27 Member States of the European Union (EU). Both Nokia and Nokia's solicitors are members of INTA.

- 1.3 An important objective of INTA is to protect the interests of the public by the proper use of trade marks. In this regard, INTA strives to advance the development of trade mark and unfair competition laws and treaties throughout the world, based on the global public interest in avoiding deception and confusion. INTA has been an official non-governmental observer to the World Intellectual Property Organization (WIPO) since 1979 and actively participates in all trade mark related WIPO proposals. INTA has influenced WIPO trade mark initiatives such as the Trademark Law Treaty and is active in other international arenas, including the Asia Pacific Economic Cooperation Forum (APEC), the Association of Southeast Asia Nations (ASEAN), the European Union and the World Trade Organization (WTO).
- 1.4 Since 1916, INTA has acted in the capacity of advisor and has appeared as amicus curiae ("friend of the court") in the US and in other jurisdictions. (More information on the amicus curiae briefs and similar interventions or comments the association has filed in cases around the world is given in Annex 1 to this Submission). INTA has previously intervened in a case before the English Court of Appeal in *Special Effects Limited v. L'Oreal SA* [2007] EWCA Civ 1.

Basis of Application

- 1.5 INTA respectfully applies for permission to intervene in this case under CPR 54.17 and/or under the inherent jurisdiction of the court. It seeks to submit its views on an issue which is of great importance to its members; namely the scope of EU Council Regulation 1383/2003.
- 1.6 The exact scope of EU Council Regulation 1383/2003, and therefore the extent to which customs authorities in the European Union can and should seek to intervene in preventing the dissemination of "counterfeit goods" is a matter not only of interest to INTA's members but raises significant issues of public interest and public policy.

Costs

- 1.7 INTA seeks an order that INTA, and each of the parties in the case, bears its own costs in relation to INTA's intervention, because it is in the public interest for third parties interested in a matter which has an impact beyond the dispute between the parties to be able to contribute. INTA suggests that, given the work necessarily involved for the parties in preparing the case, the time required for consideration of this Submission is relatively very short and would not be expected to add to the length of the hearing.

2. INTA'S POSITION

Tension in the case law

- 2.1 INTA is of the view that the current case law of the ECJ on the scope of the EU Council Regulation 1383/2003, also known as "the Anti-Piracy Regulation" (APR), is unclear. Whilst one way of reconciling that case law is to adopt the interpretation of

the earlier cases in the manner set out by Kitchen J at first instance in this case, this is not the only possible approach.

- 2.2 In this respect INTA refers to the submissions of Nokia so far as an alternative reading of the case law is concerned. INTA at present does not express a concluded view on the correctness of these competing contentions¹. However, it suggests that the uncertainty of the law in these areas is such that the case merits a reference to the European Court of Justice.
- 2.3 This is particularly so given the fact that at least one other court of the Community and in particular the Dutch courts in Case 311378 *Sisvel v Sosecal* have reached the conclusion on the application of the APR which is inconsistent with that of Kitchen J.

An alternative possible reconciliation of the cases

- 2.4 INTA further notes that much of the argument in this case to date has been in respect of an apparent tension between the approach said to be taken in Case C-393/98, *Polo v Lauren* [2000] ECR I-2519 and Case C-60/02 *Rolex* [2004] ECR I-651 and the approach said to be taken in Case C-281/05 *Montex Holdings v Diesel* [2006] ECR I-10881.
- 2.5 It is possible that the fact that the goods in question in the present case are fake goods (see Judgment of Kitchen J para 13) and the fact that the importation of the goods into the country of the consignee (i.e. Colombia) would involve trade mark infringement (see para 15 and 16 of the Skeleton Argument of the Claimant at first instance), mean that even if the reasoning in *Montex* is applicable, the APR would apply in this case.
- 2.6 In *Polo v Lauren* (Case C-393/98, [2000] ECR I-2519), the ECJ has held that the external transit of non-Community goods is not completely devoid of effect on the internal market but that it is based on a legal fiction. Although the goods do not legally enter Community territory, in reality they are imported from a non-member country and pass through one or more member states before being exported to another non-member country. According to the ECJ, this operation is all the more liable to have a direct effect on the internal market as there is a risk that counterfeit goods placed under the external transit procedure may be fraudulently brought on the Community market (*Polo v Lauren* paragraph 34) .
- 2.7 It is, therefore, arguable that in *Polo v Lauren* because of this objective risk, the ECJ concluded that ordinarily fake goods in transit are counterfeit goods within the meaning of the APR and subject to seizure.
- 2.8 Kitchen J rejected this submission because he held that the question in the *Polo Lauren* case was only whether the old APR, Regulation (EC) No 3295/94 would apply to such goods and not whether the definition of counterfeit goods encompassed goods in transit or subject to suspensive procedures "in circumstances where there was no threat of them being put on the market in the member state" (judgment paragraph 67). However, Kitchen J assumes by this statement that the fact that the goods are "fake" and whether or not there is a real prospect of a non-infringing use of the goods has no impact on the question of the extent of the risk of a direct effect on the internal market and consequentially an infringement of the specific subject matter of the mark.

¹ Although if the Court were to consider it appropriate to make a reference to the ECJ, it is possible that INTA might seek to make further submissions to the ECJ in this respect.

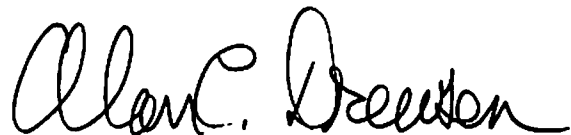
- 2.9 The formulation of the words “in circumstances where there was no threat of them being put on the market in the member state” is driven by the decision in *Montex*. In *Montex* the goods in question were being transported to a country where their sale would be lawful (i.e. Ireland). *Montex* was an active party to the proceedings and there was no suggestion in that case that its assertions of subsequent disposal in Ireland were anything other than genuine. The prospective lawful use in Ireland expressly formed part of the questions put to the court and it is against this background that the court reached its conclusions that for infringement a trade mark owner needed to show an act of a third party “which necessarily entails their being put on the market in that Member State of transit” (*Montex* paragraph 27).
- 2.10 This is in marked contrast to the facts of the current case as INTA understand them. The goods are prima facie being exported to a country where that importation would involve infringement and the Consignor and Consignee could not be traced and have not sought to take part in these proceedings. These facts by and of themselves greatly enhance the risk that the goods will illicitly enter the Community. This in turn may radically affect the assessment of whether or not the goods in transit are liable to infringe the specific subject matter of a mark. In other words, there is a prospect of the ECJ concluding that there is trade mark infringement in the circumstances of this case even if (as Kitchen J records at paragraph 78 of his judgment) there is no further specific evidence in this particular case to suggest that there is “any real prospect of the illicit diversion onto the market in the Community”.

Legal commentary

- 2.11 In the legal literature there is much discussion as to the correct interpretation of the APR in regard to transshipment of counterfeit goods and more specifically as to the interpretation of the definition of “counterfeit” and the role of the manufacturing fiction. In “*Montex and Roles – Irreconcilable Differences? A Call for a Better Definition of Counterfeit Goods*” (2008) IIC Vol 39. p 775 the author points out the tension between *Montex* and the earlier ECJ case law. Several authors have also suggested that further guidance should be sought from the ECJ in this respect, including most recently Gerard van der Wal and Freya Van Schaik, in their article in the September 2009 issue of BIE, a leading Dutch Industrial Property journal, “*de toepassing van het arrest Montex/Diesel in de verschillende lidstaten van Europa*” (“the application of the decision *Montex/Diesel* in the various EU member states²). A copy of both these articles is attached at Annex 2 to this submission (unfortunately an English translation of the Wal and Schaik article is not available).

Conclusions

- 2.12 For these reasons INTA would respectfully submit that that the Court of Appeal should make a reference in this case to the ECJ as to the correct interpretation of the APR as to the status of counterfeit goods in transshipment.



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