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## **The Role of an Attorney in the Custom Seizure Procedure**

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## **The Role of an Attorney in the Seizure Procedure**

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The procedure for the suspension of release for free circulation of counterfeit goods is interesting in two regards:

- firstly, searching for and obtaining evidence of an infringement is essential in any infringement litigations and the suspensive measures offer a powerful instrument for the holder of an intellectual property right to gain knowledge of infringement and to collect evidence regarding said infringement,
- secondly, the purpose of any infringement litigation is to obtain the cessation of the infringement and, in this regard, the mere use of the suspensive procedure enables to reach that goal, since it makes the retainment of the infringing goods possible.

These two reasons make the suspensive measures attractive and efficient notably in case of infringement committed by companies located in remote places where enforcement of Court decisions is made difficult.

But the suspensive measure is not an end in itself ; it is part of a more complex procedure, the infringement litigation. It is an instrument available to intellectual property right holders to defend their rights.

It is all the more so, because the custom seizure is now open, not only to trademark, copyright and design model but also to patents, where the discussion on the validity of the title and the infringement is more intense.

The Attorney, who conducts the litigation procedure, plays a role in organizing the suspensive measures.

This Role can be examined with regard to:

- the conduct of an intellectual property right infringement litigation (1.),
- building a strategy to fight against infringement (2.).

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## ***1. Conducting an intellectual property right infringement litigation***

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The suspensive measure is an instrument available, in most intellectual property right infringement litigation, in order to gain information and to collect evidence of the infringement.

The role of the attorney in the suspensive measures is therefore tightly linked to the conduct of the infringement litigation, it lies in:

- drafting the procedural documents, notably the application for the custom authorities.
- organizing the collect of evidence,
- instituting the various procedures in due course.

### **1.1 Drafting the procedural documents and first of all, the application with the custom authorities**

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The attorney is in charge of drafting and filing of the procedural documents, namely:

- the request for performing a *saisie-contrefaçon*,
- the request for interim decisions,
- the writ of summons on the merits,
- any request for preliminary injunctions.

The attorney should therefore also file, or be associated to the filing, of the application with the custom authorities to ensure consistency with the other steps of the infringement litigation.

In drafting these documents, the Attorney must check that all the conditions necessary for the success of the procedure are met, notably the following issues:

- **is the IP right still in force?** Have the taxes been regularly paid to keep the patent in force? Has the trademark been renewed?
- **have all the transfer of ownership been registered properly?** Notably, in some European countries (like France), the transfer of ownership or the grant of license agreements are not opposable to third parties unless they have been registered on a National Register (for example the National Patent or Trademark Register).

This issue must be examined carefully when several applications for custom suspensive measures are filed on national trademarks or patents in various European countries because the intellectual property right can be opposable in some countries where the transfer of ownership does not have to be registered, but not opposable in others.

- **is the applicant for the seizure entitled to institute infringement litigation?**  
The customs suspensive measures can be requested by the owner of the title or its exclusive licensee alone, without any additional condition. But in some countries the infringement action cannot be instituted by the exclusive licensee alone, or only after a specific procedure (in France: giving a 15 days notice to the owner of the title of the intent to start the procedure). In such cases, it is necessary to make sure that the right holder will authorize the licensee to institute proceedings if an infringer is identified within the 10 days period of the seizure procedure,
- **is the intended seizure legally available and on what norm is it requested?**  
Several legal norms allow the custom authorities to act, mainly the national procedures (for example articles L 716-8 to L 716-9 of the French Intellectual Property Code) and the European Regulation. But these norms do not have exactly the same scope. The applicant must therefore choose on what norm the application is filed.  
For example, under the European Regulation, the custom suspensive measure is not possible in case of parallel import, i.e. when the trademark has been legally apposed on the infringing goods. To the contrary, under French law, the retainment of goods (but not the seizure) is possible in case of parallel import (L 716-8 of French Intellectual Property Code).  
Also, the customs suspensive measures are not available for patents and community trademark under French national law, but are available according to the European Regulation.
- **is a security necessary or likely to be requested?** A security can be requested by the custom authorities in order to cover the damages that may be suffered by the victim of the retainment of goods. In practice, obtaining such security bond from a bank can take days or weeks. It is therefore often preferable to anticipate such request in order not to delay the procedure. The attorney is involved in negotiating with the custom authorities the amount of the security.

## **1.2 Organizing the collect of information and evidence on the infringement**

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The collect of evidence of the infringement is the essential stake of any intellectual property right infringement litigation. Whatever the strength of the case, the holder of the right cannot win if he does not bring evidence of the infringement. And the attorney is in the best position to assess the scope of evidence that is necessary in each particular case.

### **Which evidence is needed?**

The evidence must usually cover three issues :

- identification of the infringers: Who is behind the infringement? Who are the reseller, the distributor and the manufacturer of the infringing goods? The plaintiff needs to demonstrate that the defendants are liable for the acts of infringement (NB: The manufacturers and importers are always liable but the resellers sometimes need to be put on notice before being liable).
- proof that the infringing goods reproduce the protected element:
  - in trademark or copyright infringement procedures, a description, copy or photograph of the infringing good can be sufficient to prove the infringement,
  - in registered design and in patent infringement litigation, samples and technical analysis of the goods (sometime requiring a destruction) are almost always necessary; as regard process patent, infringement litigation is also necessary to gain access to the manufacturing process,
- proof of the performance of infringing acts (sale, offer for sale, manufacturing, importation) on the territory covered by the intellectual property right.

### **Means to collect evidence**

The rules of civil procedure can make it more or less difficult for the holder of the intellectual property rights who gained knowledge of the infringement, to bring the necessary evidence. The UK discovery procedure notably enables the plaintiff to ask the defendant to provide him with information. In countries where the discovery does not exist, the plaintiff must rely on his own to collect the evidence.

The most frequently used sources of information are listed hereunder:

- **Publicly available commercial documentation** like business documentation, advertising, web-site, product on the market,
- **Private investigators, trap orders;**
  - private investigators can collect complementary evidence on the infringement. Their mission vary from case to case, they can be asked to check addresses of potential infringer, to get information on the importation and distribution channel, to order sample of the infringing goods,
  - trap orders can be organized, by friend companies, in order to get access to the infringing goods.

- **Customs suspensive measures to avoid the release of infringing goods.** The custom procedure provides another way to gain access to information:
  - the custom agents can identify infringing importation that the right holder might not have noticed,
  - the customs authorities can provide the applicant with some information that would otherwise be confidential, notably the name of the importer, the addressee, the quantity shipped, etc.,
  - the customs can also take samples and give them to the applicant (under the community regulation only),
- **Affidavit of purchase of goods.** Affidavit of purchase are used to identify the samples of the infringing goods submitted to the Court and to prove that they are offered for sale on a certain territory. These affidavits are usually drafted by public officers (*huissiers de justice*, in France), by lawyers (notably in Germany).
- **Saisie-contrefaçon.** Some countries offer to the holder of intellectual property rights, the powerful tool of *saisie-contrefaçon*, notably France. This procedure enables the holder of an IP right, upon authorisation granted in an *ex parte* procedure by the President of the local Court, to appoint a bailiff (a public officer) to visit any specified premises where the proof of the infringement can be found; this procedure is often used to:
  - describe the alleged infringing goods,
  - copy any relevant commercial document and accounting information,
  - seize some samples of the alleged infringing goods and, for trademarks and registered designs, to seize the whole stock.

In practice, these various means of collecting evidence are combined.

Firstly, a real cooperation needs to be organized with the custom authorities.

When filing the application, the holder needs to provide the custom authorities with all the information he holds on the infringement:

- the name of the potential infringer,
- a description of the alleged infringing good in comparison with the original goods,
- the supplying channels of the infringing goods, the most likely port of entry, etc.

But the holder also needs to update the custom authorities with any information it might gain on a specific shipment of infringing goods.

For example, in a case I have been involved, the right holder knew that the goods were shipped by plane from a known airport. He therefore appointed an investigator to inform him of any shipment made by the alleged infringer. The right holder was thus able to inform the customs of a particular shipment (date and place of arrival, the name of the shipper, etc.).

Secondly, the information collected from the customs is sometimes insufficient to institute a procedure:

- the seizure does not always provide the right holder with all the necessary evidence; this is not often the case in trademark infringement, but is more frequent in patent infringement cases where information regarding the manufacturing process might be necessary,
- the customs might not be able to provide the right holder with enough samples of the alleged infringing good,
- similarly, the customs have access to limited numbers of documents and are not entitled to provide the holder with other information than those listed in the regulation,
- finally, the custom procedures often only concern a particular shipment, but give no information on the exact scope of the infringement, notably if prior shipments have been made or if others are to come.

Therefore, when possible, it is useful to perform a *saisie-contrefaçon* or an equivalent procedure:

- against the importer, in the premises of the customs, in order to:
  - seize several samples of the infringing goods,
  - take copy of documents belonging to the importer which might not be available to the customs or that the customs are not allowed to disclose to the applicant,
- against the addressee, in its premises, in order to gain information on other infringing shipments.

### **1.3 Instituting the various procedures in due course**

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The attorney is in charge of filing the various procedures in due course.

Several of the procedures mentioned hereabove need to be followed by the performance of another procedure within a certain period of time in order to be valid or effective:

- the retainment of infringing goods by the custom authorities is only possible for 10 days. Past this period, the goods can not be retained any longer and must be released. The attorney must therefore be ready to file a procedure on the merits or to request interim measures within the 10 days time limit. The Community Regulation however allows the applicant to request an extension of time of a maximum of 10 days
- the *saisie-contrefaçon*, when performed, must be followed by a procedure on the merits within 15 days; if such action is not instituted there is a risk that the *saisie* be cancelled and the goods released.

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## **2. *Building a strategy to fight against infringement***

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The custom suspensive measures are not the corner-stone of every strategy against infringement. Building a strategy against infringement goes therefore far beyond the mere use of the custom suspensive procedures. But the custom measures can be used in building a strategy against infringement.

It results from what has been said herebefore, that there are two ways of using the custom measures:

- *the soft way*: as a mere tool to collect evidence of the infringement,
- *the hard way*: as a weapon to prevent infringement.

### **2.1 The custom suspensive measures as a mere tool to collect evidence of the infringement: the *soft way***

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The custom seizure can be used as a mere tool to collect evidence.

It is usually the case in patent infringement cases or in trademark or copyright cases where discussion is expected on the validity of the intellectual property title or on the infringement.

It is obviously not the most publicized use of the custom seizure, but it is not the less frequent.

The reason for not using to their full extent the possibilities of the custom measures is, in most cases, the risk inherent to prohibiting the release of the alleged infringing goods. There is no doubt that the suspensive measures are performed at the risk of the right holder. And if, at the end of the day, the infringement case is rejected, the holder will have to compensate the damages caused by the suspensive measures.

Also, the custom seizure might not be the main purpose of the procedure. For example, plant varieties that are protected by Plant Variety Rights are often sold under a specific trademark. And the plant varieties infringing the Plant Variety Rights are often imported under said trademark. In such cases, the custom seizure can be performed on the ground of the trademark for the main purpose of obtaining samples of the flowers and instituting a Plant Variety Rights infringement action.

Most often, when a custom seizure is used in such *soft way*:

- the retainment of the goods is not requested after the 10 days period. The alleged infringing goods are thus released after the seizure, except for the samples that might have been collected,
- the right holder is satisfied with the performance of one seizure, in order to start the procedure, but does not want the customs authorities to suspend all the shipments of the alleged infringer.

## **2.2 The custom suspensive measures as a weapon to fight against infringement: the *hard way***

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The custom suspensive measures are also used in a more aggressive manner, in order to put an end to infringement.

This is more often the case:

- when the validity of the title is not at stake and when the infringement is obvious,
- to enforce a decision which held that a particular product constitute an infringement.

Under such circumstances, the custom seizure is most efficient.

The custom suspensive measures are also interesting when the infringement is committed by a manufacturer located in remote places where the enforcement of a Court order is most difficult and where the distribution is made by many independent channels.

In such cases, the custom seizure might be the only possible way for the right holder to defend its rights and make sure that the infringer will be affected by (i.e. will suffer from) the institution of the procedure.

When the custom seizure is used in such *hard way*, the right holder usually asks the customs to suspend the release of each and every infringing shipment.

## CONCLUSION

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The custom seizure procedure is an efficient procedure that will certainly get an increasing importance.

It is already widely used in cases of piracy of well-known trademarks or of Registered design.

But it will probably get more and more important:

- in ordinary trademark infringement litigation,
- in patent cases where it is only available since July 1999.

And it is likely that this new type of use of the custom seizure will create new habits, still unknown.