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Import of infringing goods into EU through Slovenia constitutes infringement

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Slovenia - ITEM d.o.o

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In *Louis Vuitton Malletier Société Anonyme v Interkop 2006 doo* (No IV Pg 5539/2010, April 2 2013, released in June 2013), the Circuit Court of Ljubljana has held that it had jurisdiction over an action for infringement of a Community trademark (CTM) in a case involving the import into the European Union of infringing bags and belts originating from China. The goods were imported through Slovenia and destined to Italy.

In November 2010 Customs in the Slovenian port of Koper provisionally seized over 10,000 bags and belts marked with the letters 'XL' and a pattern very similar to **Louis Vuitton**'s well-known 'LV' monogram. The seized goods originated from China, were imported into the European Union by a Slovenian forwarding agent, Interkop 2006 doo, and were destined to an Italian recipient, Palletteria Great Walls SAS. Therefore, Slovenia was only the entering point into the European Union.

The forwarding agent filed a declaration with Customs in its own name, claiming that the seized goods did not infringe Louis Vuitton's trademark rights, so that the goods could not be destroyed under the summary Customs procedure.

In December 2010 Louis Vuitton filed with the Circuit Court in Ljubljana an infringement action against the Slovenian forwarding agent and the Italian recipient, based on several CTMs for its 'LV' monogram, seeking the destruction of the seized goods. In response, the defendants argued that:

- the Slovenian courts did not have jurisdiction over this case because the seized goods were intended to be sold on the Italian market; and
- the forwarding agent could not be held liable for infringement because it had only acted on behalf of the recipient and could not have known that the goods bore signs that were confusingly similar to Louis Vuitton's trademarks.

According to Article 97 and Article 98 of the **Community Trademark Regulation** (207/2009), a

plaintiff may initiate an action for infringement of a CTM either in the EU state where the defendant is domiciled or in the EU state where the infringement was committed or threatened. The court thus clearly had jurisdiction over the forwarding agent (a Slovenian company), but the issue of jurisdiction was more problematic for the Italian recipient, as it depended on whether the import into Slovenia of goods destined to Italy constitutes trademark infringement in Slovenia.

With regard to the forwarding agent's liability for infringement, in its court briefs Louis Vuitton emphasised that the forwarding agent had acted in its own name under the Customs import procedure (without the power of attorney), including when it filed the declaration claiming that the seized goods did not infringe Louis Vuitton's trademark rights. This declaration had led Louis Vuitton to file the infringement action to obtain the destruction of the seized goods, instead of seeking the destruction of the goods under the summary Customs procedure.

The court held that the import of the goods into the European Union through Slovenia constituted infringement of CTM rights in Slovenia, regardless of the fact that the goods were headed to Italy. Therefore, the court accepted that it had jurisdiction over this case; it declared that the seized goods infringed Louis Vuitton's trademark rights and, consequently, that they should be destroyed.

With regard to the forwarding agent's liability, the court held that it had facilitated the import of the infringing goods into the European Union. Therefore, the forwarding agent was held liable for the infringement, regardless of whether or not it knew that the goods bore signs confusingly similar to Louis Vuitton's trademarks.

This judgment is important in that it is the first time that a Slovenian court has decided on the scope of jurisdiction of the country's courts in cases where Slovenia is not the destination of the goods, but merely the point of entry of the goods into the European Union. Further, this judgment contributes significantly to the existing case law on the liability of forwarding agents for trademark infringement.

Both the forwarding agent and the Italian recipient have appealed, so the final outcome regarding these issues remains to be seen.

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