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STATUTORY INSTRUMENTS

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**1999 No. 1618**

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**The Goods Infringing Intellectual Property Rights  
(Consequential Provisions) Regulations 1999**

<i>Made</i>	- - - -	<i>9th June 1999</i>
<i>Laid before Parliament</i>		<i>10th June 1999</i>
<i>Coming into force</i>	- -	<i>1st July 1999</i>

The Secretary of State, being designated<sup>(1)</sup> for the purposes of section 2(2) of the European Communities Act 1972<sup>(2)</sup> in relation to measures relating to counterfeit and pirated goods, goods infringing a patent and goods infringing a supplementary protection certificate, in exercise of powers conferred on him by the said section 2(2), and of all other enabling powers, hereby makes the following Regulations:

1. These Regulations may be cited as the Goods Infringing Intellectual Property Rights (Consequential Provisions) Regulations 1999 and shall come into force on 1st July 1999.

2.—(1) In these Regulations:

“the 1979 Act” means the Customs and Excise Management Act 1979<sup>(3)</sup>;

“application” means an application under Article 3(1) of the Council Regulation;

“business day” has the meaning given by section 92 of the Bills of Exchange Act 1882<sup>(4)</sup>;

“the Commissioners” means the Commissioners of Customs and Excise;

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(1) S.I.1995/751 (in relation to counterfeit and pirated goods) and S.I. 1999/654 (in relation to goods infringing a patent and goods infringing a supplementary protection certificate).

(2) 1972 c. 68.

(3) 1979 c. 2.

(4) 1882 c. 67 (45 & 46 Vict); section 92 was amended by sections 3 and 4 of the Banking and Financial Dealings Act 1971 (c. 80).

“the Council Regulation” means Council Regulation (EC) No. 3295/94<sup>(5)</sup> as amended by Council Regulation (EC) No. 241/1999<sup>(6)</sup>, 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;

“counterfeit goods” has the meaning given by Article 1(2)(a) of the Council Regulation;

“decision” means a decision granting an application in accordance with Article 3(5) of the Council Regulation;

“design right” has the meaning given by section 213(1) of Part III of the Copyright, Designs and Patents Act 1988<sup>(7)</sup>;

“goods infringing an intellectual property right” has the meaning given by Article 1(2)(a) of the Council Regulation (counterfeit goods, pirated goods and goods infringing a patent or supplementary protection certificate), and related expressions shall be construed accordingly;

“goods infringing a patent” has the same meaning as in the Council Regulation;

“goods infringing a supplementary protection certificate” has the same meaning as in the Council Regulation;

“holder of a right” has the meaning given by Article 1(2)(b) of the Council Regulation;

“pirated goods” has the meaning given by Article 1(2)(a) of the Council Regulation;

“registered design” shall be construed in accordance with the Registered Designs Act 1949<sup>(8)</sup>.

(2) For the purposes of the Council Regulation, any reference in it to “copyright, or neighbouring rights” is to be construed as a reference to “copyright, or rights in performances”.

(3) These Regulations shall apply to goods which fall to be treated by virtue of Article 1(3) of the Council Regulation as being goods within paragraph (2)(a) of that Article as they apply to any goods within that paragraph; but these Regulations shall not apply to any goods in relation to which the Council Regulation does not apply by virtue of Article 1(4) thereof.

**3.** Subject to paragraph (2) of regulation 4 below, goods infringing an intellectual property right which correspond to the description of goods contained in a decision shall be liable to forfeiture if any of the conditions mentioned in Article 1(1)(a) of the Council Regulation applies during the period specified in the decision.

**4.—(1)** If, in the course of checks carried out in relation to goods as regards which any of the conditions mentioned in Article 1(1)(a) of the Council Regulation applies and before an application is made in respect of those goods, or, if made, before a decision is given, it appears to the Commissioners that the goods are goods infringing an intellectual property right, the Commissioners may, in accordance with Article 4 of the Council Regulation—

- (a) notify a holder of a right of the possible infringement of the right;
- (b) suspend the release of, or detain, those goods; and
- (c) if they do so suspend or detain, invite the holder of a right, in the absence of an existing application, to make an application within three business days of the date of suspension or detention.

(2) If at any time during the period of suspension or detention under paragraph (1) above a decision is given in respect of the goods, the condition mentioned in Article 1(1)(a) of the Council

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(5) O.J. No. L341, 30.12.94, p. 8.

(6) O.J. No. L27, 2.2.99, p. 1.

(7) 1988 (c. 48).

(8) 1949 (c. 88) as amended by the Copyright, Designs and Patents Act 1988. A consolidated version of the Registered Designs Act 1949 is contained in Schedule 4 to the Copyright, Designs and Patents Act 1988.

Regulation shall be taken to have applied during the period specified in the decision for the purposes of regulation 3 above.

(3) Where no application in respect of the goods is or has been made by any holder of a right within three business days of the date of suspension or detention, the suspension or detention shall cease.

5.—(1) Subject to regulation 6 below, section 139 of, and Schedule 3 to, the 1979 Act (provisions as to detention, seizure and condemnation of goods, etc; forfeiture) shall apply in respect of any goods liable to forfeiture by virtue of regulation 3 above as they apply in respect of goods liable to forfeiture under the customs and excise Acts; and, accordingly:—

- (a) section 144 of the 1979 Act (protection of officers, etc in relation to seizure and detention of goods etc) shall apply in respect of seizure or detention effected by virtue of this regulation; and
- (b) sections 145, 146 and 152 to 155 of the 1979 Act<sup>(9)</sup> (general provisions as to legal proceedings) shall apply in respect of condemnation proceedings brought by virtue of this regulation.

(2) Where in any condemnation proceedings brought by virtue of paragraph (1) above any question arises as to whether or not any goods are or were liable to forfeiture under regulation 3 above, the burden of proof shall lie upon the party alleging that they are not or were not so liable.

6.—(1) Regulation 5 above shall not apply in relation to goods as regards which the decision specifies as subsisting in those goods any one or more of the following intellectual property rights (whether or not they also appear to infringe any other intellectual property right):

- (a) a patent;
- (b) a supplementary protection certificate;
- (c) a registered design;
- (d) design right.

(2) A holder of a right may, within 10 business days of his having been notified by the Commissioners of the suspension of release of the goods or of the goods having been detained, give notice in writing to the Commissioners waiving, for the purpose of both the Council Regulation and of these Regulations, any intellectual property right of his in the goods, being a right mentioned in sub-paragraphs (a) to (d) in paragraph (1) above.

(3) Where notice has been given in accordance with paragraph (2) above—

- (a) any right so waived shall be disregarded, as regards that holder of a right, in determining whether the goods fall within paragraph (1) above; and
- (b) the goods shall accordingly be treated for the purposes of the Council Regulation and these Regulations as if that person did not have the right concerned in those goods.

(4) The following provisions of the 1979 Act shall apply to any goods falling within paragraph (1) above as they apply in respect of goods liable to forfeiture under the customs and excise Acts:

- (a) section 139, except subsections (5) and (6) (things seized or detained to be dealt with or disposed of as Commissioners direct; Schedule 3 to have effect);
- (b) section 144.

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<sup>(9)</sup> Section 153(4) was added by paragraph 9 of Part I of Schedule 8 to the Finance Act 1981 (c. 35); section 155(1) had been amended by paragraph 29(3) of Part II of Schedule 4 to the Criminal Justice and Public Order Act 1994 (c. 33) from a day to be appointed but, by virtue of section 44 of the Criminal Procedure and Investigations Act 1996 (c. 25), that amendment, inter alia, is treated as never having been enacted.

(5) Any thing seized or detained by virtue of this regulation shall be dealt with in such manner as the Commissioners may direct; but this paragraph shall apply subject to section 139(3) and (4) of the 1979 Act (detention or seizure by a constable; things retained in the custody of the police) in the cases there mentioned.

7.—(1) In the case of goods falling within paragraph (1) of regulation 6 above, the commencement of the proceedings described in paragraph (2) below, and only such proceedings, shall constitute a referral to the authority competent to take a substantive decision for the purposes of the Council Regulation.

(2) The proceedings mentioned in paragraph (1) above are proceedings commenced in the relevant court by a holder of a right alleging that the goods infringe an intellectual property right of his and seeking relief which that court has the power to grant after a finding of such infringement.

(3) Without prejudice to any provision of the Council Regulation, if at any time the Commissioners—

- (a) are not satisfied, or cease to be satisfied, that the proceedings described in paragraph (2) above have been commenced; or
- (b) are satisfied that such proceedings have been withdrawn or otherwise terminated without other such proceedings having been commenced, the suspension of the release of the goods or their detention shall cease.

(4) For the purposes of this regulation proceedings shall not be taken to have been commenced before—

- (a) an originating process has been issued or, in the case of the Court of Session, signeted by the relevant court;
- (b) that process has been served on the other party or, if more than one, all the other parties to the proceedings, in accordance with the rules of the court concerned.

(5) In paragraph (4) above, the reference to an originating process is a reference to—

- (a) in England and Wales, a claim form;
- (b) in Scotland, a summons; or
- (c) in Northern Ireland, a writ.

(6) For the purposes of this regulation the relevant court is—

- (a) in England and Wales, the High Court or any patents county court having jurisdiction by virtue of an order under section 287 of the Copyright, Designs and Patents Act 1988;
- (b) in Scotland, the Court of Session; or
- (c) in Northern Ireland, the High Court.

8. Nothing in these Regulations shall be taken to affect—

- (a) any power of the Commissioners conferred otherwise than by any provision of these Regulations to suspend the release of, or detain, any goods; or
- (b) the power of any court to grant any relief, including any power to make an order by way of interim relief.

9. The Counterfeit and Pirated Goods (Consequential Provisions) Regulations 1995(10) are hereby revoked.

Department of Trade and Industry  
9th June 1999

*Kim Howells*  
Parliamentary Under Secretary of State for  
Competition and Consumer Affairs,

*Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.*

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

The Counterfeit and Pirated Goods (Consequential Provisions) Regulations 1995 made provision consequential on Council Regulation (EC) No. 3295/94, laying down measures to prohibit the release for free circulation, export, re-export or entry for a suspensive procedure of counterfeit and pirated goods (O.J. L341, 30.12.94).

These Regulations make provision consequential upon the amendment of Council Regulation (EC) 3295/94 by Council Regulation (EC) No. 241/1999. It also revokes the earlier Regulations.

Council Regulation 241/1999 comes into force on 1st July 1999 and makes the following significant amendments to Council Regulation 3295/94:

- (a) the categories of goods subject to the prohibition and, consequently, subject to action by the customs authorities, have been added to by including goods which infringe a patent or a supplementary protection certificate;
- (b) the circumstances in which the prohibition will apply will now include goods under customs supervision (any goods entering the Community), and goods placed in a free zone or free warehouse;
- (c) provision is made for a single application to seek action in one or more Member States other than that in which the application is made, but only in relation to Community trademarks.

Counterfeit and pirated goods, other than those infringing a registered design or design right, which are placed in one of the circumstances in which the prohibition applies under the Council Regulation are rendered liable to suspension, detention and forfeiture; sections 139, 144–146 and 152–155 of and Schedule 3 to the Customs and Excise Management Act 1979 (detention, seizure and condemnation of goods) are applied and additional provision is made about burden of proof similar to section 154(2)(f) of that Act.

Goods infringing a patent, a supplementary protection certificate, a registered design or design right which are placed in one of the circumstances in which the prohibition applies under the Council Regulation are rendered liable to forfeiture. The Regulations provide that in the case of goods infringing these rights only the commencement of specified court proceedings by the rights holder shall constitute a referral to the authority competent to take a substantive decision for the purposes of the Council Regulation.

The Regulations also provide that where, in respect of particular goods, a rightsholder has both a right which would come within the provisions for condemnation proceedings and a right for which condemnation proceedings are inapplicable, he may elect to waive the latter right in those goods for the purposes of both the Council Regulation and these Regulations thus permitting the matter to proceed by condemnation.

A Regulatory Impact Assessment is available, copies of which have been placed in the libraries of both Houses of Parliament. Copies of the assessment are also available from the Intellectual Property Policy Directorate of the Patent Office, Room 3.B40, Concept House, Cardiff Road, Newport NP9 1RH.