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World
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Review

Anti-counterfeiting 2009

A Global Guide

Contributing firm
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Legal framework

The following legislation applies to counterfeiting:

- the Trademarks Law (2239/1994) (implementing the EU First Trademarks Directive (89/104/EEC));
- the EU Community Trademark Regulation (40/94);
- the Copyright Law (2121/1993);
- the Unfair Competition Law (146/1914);
- the Industrial Designs Presidential Decree (259/1997); and
- the Penal Code.

Trademark legislation

Under Article 18(3) of the Trademarks Law, a trademark owner is entitled to prevent any third party from using a sign that is identical or similar to its mark. Under Article 26(1), “an action to seek an injunction, damages or both can be taken against anyone using,

counterfeiting or imitating a trademark belonging to another”. Article 28 states that a counterfeiter may be imprisoned for at least three months and fined at least €590.

Community trademarks (CTMs) enjoy the same protection as domestic trademarks and the owner of a CTM may bring a legal action against an infringer before the Greek courts.

Copyright legislation

Under Articles 3, 4 and 65 of the Copyright Law, any unauthorized reproduction, public presentation or exploitation of a copyrighted work amounts to infringement and the owner may take legal action against the infringer to seek an injunction, damages, or both.

Under Article 66, the infringer may face at least one year’s imprisonment and a fine of between €2,900 and €15,000. Where the infringement was habitual, the infringer may face:

- imprisonment for up to 10 years;
- a fine of between €14,673 and €58,694; and
- revocation of its business licence.

Unfair competition legislation

As well as protecting trademarks, Article 13 of the Unfair Competition Law protects unregistered distinctive elements and signs that have become known to domestic consumers as distinctive elements and signs of the goods in question or the company that markets them.

Article 1 prohibits unfair practices that have as their aim competition with a rival. Moreover, the domestic courts have ruled that the unauthorized exploitation of a trademark, copyrighted work, design or distinctive sign constitutes an act of unfair competition within the scope of this provision.

The remedies available in such cases include injunctions and damages.

According to Article 14, penalties apply to anyone who uses a distinctive sign without the owner’s permission and with the intention of confusing consumers.

Design legislation

Article 28 of the Industrial Designs Presidential Decree provides for injunctions against counterfeits of registered industrial

designs. Moreover, penalties apply to those who falsely represent that their product is protected by industrial designs legislation.

Forgery and fraud

Counterfeiting may fall within the Penal Code definitions of 'forgery' and 'fraud' (Articles 216 and 386). In such cases the courts will impose heavier penalties than those applicable under the Trademarks Law or Unfair Competition Law.

Border measures

Procedure

The EU Customs Regulation (1383/2003) lays down the domestic customs intervention procedure. Customs authorities can seize goods that infringe certain IP rights, provided that the rights holder or licensee has filed an appropriate notice with them.

A call for Customs to take action can take two forms. One is the lodging of an application for action with the customs authorities pursuant to Article 5(1) of the regulation, where the applicant is a rights holder or licensee in Greece. This procedure is the same regardless of the IP right involved. It falls to the rights holder to submit a written application containing descriptive details of its goods as well as the allegedly infringing goods.

The other is the filing of an application pursuant to Article 5(4) of the regulation, where the applicant holds an EU-registered IP right (eg, a CTM). Such an action protects the rights holder by requesting that the customs authorities of various EU member states take action.

The customs authorities charge no administrative fee for filing the notice and require no security (eg, bank guarantee).

Upon accepting the application, Customs will issue a formal decision specifying the period during which action is to be taken. If the rights holder wishes to request an extension of this period, it must do so at least five working days prior to the expiry of the current application.

Enforcement

Pursuant to the EU Customs Code Regulation (2913/1992), the various customs authorities check goods that are entering or leaving the EU territory, and specifically goods that:

- are entered for release for free circulation, export or re-export, or placed in a free zone or warehouse; and
- originate from a non-EU country.

Customs will halt any goods that are intercepted under suspicion of

infringement of IP rights, where an appropriate customs application has been filed and accepted. The rights holder will be asked to inspect the goods in question for confirmation of infringement.

Where the customs authorities halt suspect goods *ex officio*, they will suggest that the rights holder file a customs notice immediately so that the goods can be dealt with in the usual way.

Where the seized goods are covered by a customs application, Customs will detain them and notify both the person who has made the customs declaration and the IP rights holder (or its appointed representative) of:

- the origin of the goods; and
- the name and address of the consignee, holder and/or owner of the allegedly infringing goods.

If the rights holder determines that the goods are infringing and wishes Customs to continue to detain the goods, it must provide a written statement to this effect, detailing why it believes the goods are infringing. Such a statement must be submitted within 10 working days of the customs notification (three working days for perishable goods). If the rights holder fails to respond within the specified timeframe, the authorities will release the goods.

The regulation introduces a simplified procedure whereby infringing goods can be destroyed at the rights holder's request, provided that Customs obtains written permission from the person who made the customs declaration or the holder of the goods within the aforementioned 10-day timeframe. If it fails to respond, consent is presumed and Customs can destroy the infringing goods at the rights holder's expense before the commencement of legal proceedings. Customs must retain samples of the goods in case such evidence is required.

The rights holder must commence civil proceedings within 10 working days of the goods being detained or receipt of notification under Article 9 of the regulation, where the person who made the customs declaration opposed the destruction within the prescribed time. Again, if the rights holder fails to respond within the specified timeframe, the authorities will release the goods.

Where civil proceedings are successful, the goods are destroyed. Otherwise, Customs releases the goods and the rights holder is likely to be liable for the other party's legal costs plus any loss suffered as a result.

In cases of *ex officio* actions, Customs will notify both the rights holder and the person

who has made the customs declaration that the goods have been detained, and will allow three working days for the filing of an application. The process of detention will then proceed as described above.

Criminal prosecution

Criminal complaints are filed with the police or public prosecutor. The police are authorized to search the premises of an alleged counterfeiter and seize all items that may be considered to be counterfeit by an expert witness appointed by the brand owner. The authorities keep the seized goods in custody until the court issues its final decision.

Once goods have been seized and those involved have been questioned, the police pass their findings to the public prosecutor, who decides whether charges will be pressed. Where charges are pressed, the public prosecutor drafts a bill indictment and a date is set for a hearing before the criminal court.

Criminal penalties under the Trademarks Act, Copyright Act and Unfair Competition Act vary from between eight and 15 months' imprisonment. However, if the profit from the illegal activity exceeds €15,000 and the counterfeiter is a habitual infringer, the criminal court may press charges for felony, in which case the offender may be imprisoned for between 24 and 36 months.

The criminal courts will also order:

- destruction of the seized counterfeit goods;
- publication of the decision at the counterfeiter's expense; and
- payment of a fine.

Civil enforcement

Key points

Rights holders are protected against infringements by a variety of legislation. Depending on the facts of a case, possible grounds for civil actions are found in the Trademarks Law, Unfair Competition Law, Intellectual Property Law and Consumer Protection Law, as well as the Civil Code.

Apart from the remedy of a regular lawsuit, a flexible injunction procedure:

- offers broad protection during the intermediate stage; and
- guarantees the immediate cessation of the infringing actions by threatening the infringer with penalties per violation.

Court orders are published in the press (including newspapers with wide circulation and magazines) and online as a way of bringing infringements to public attention.

Moreover, the rights holder may be entitled to monetary compensation for moral damages and each of the aforementioned laws allows for the rights holder to claim for actual damages.

As from May 2006 IP and trademark-related disputes fall under the exclusive competence of a special court department in Athens. Courts in other major cities are soon to enjoy the same jurisdiction.

Preliminary measures

Injunction application: Generally, preliminary measures involve the filing of an injunction application against an infringer. A single-member first-instance court hears the case and issues a decision.

The plaintiff must file such an application quickly and prove that:

- the claim has substance; and
- the imminent infringement constitutes a threat to its rights.

The advantages of the injunction procedure are that:

- full proof of the plaintiff's claim is not necessary;
- an injunction decision is final and enforceable; and
- the court has discretion to order any provisional measures that it deems appropriate for the protection of the plaintiff's rights (even if the measures are not explicitly laid down in law).

EU Directives 2001/84/EC and 2004/48/EC: A significant development is the integration of EU Directives 2001/84/EC and 2004/48/EC into domestic legislation through the Copyright Law. Consequently, the court may now order the infringer to surrender documentation regarding its supply and distribution network(s). Moreover, the court may award litigation costs to the rights holder and order the temporary confiscation of the infringer's property where infringement has taken place on a commercial scale. The court may also order the withdrawal of the infringing products, along with any material relevant to their production or destruction.

An injunction decision remains valid until the court issues a final decision on the related lawsuit, which should be filed within 30 days of the issuance of the injunction decision.

Temporary restraint orders: Upon filing an injunction application, the rights holder may request that a court-appointed judge grant a temporary restraint order with the aim of preserving its interests prior to the granting of provisional measures. Such

temporary restraint order would result in the immediate cessation of infringing activity. Usually, the court will extend the validity of such an order during the injunction hearing and up to the issuance of the decision.

The judge has discretion whether to issue such an order, except in cases involving copyright infringement, where issuance is compulsory. Such an order may be issued *ex parte*.

Remedies

The remedy available in case of IP rights infringement is the filing of a regular lawsuit against the infringer. This remedy need not be supported by a preliminary actions, but can be combined with an injunction application.

A regular lawsuit involves:

- a claim for permanent cessation of the illegal activities;
- confiscation and destruction of the infringing goods; and
- publication of the decision in the relevant press or online (in cases involving copyright infringement).

A claim for moral damages may be included. Depending on the facts of the case, the rights holder may be awarded a reasonable monetary sum. However, claims for compensation of actual (material) damages are rare in domestic IP cases, because of both difficulties in providing conclusive proof and the lack of an appropriate method for exact calculation of actual (or consequential) damages.

The court procedure involves witness testimonies in court, with the parties being obliged to submit pleadings and supporting documentation. The court then issues a final decision, which may be appealed.

Any appellate court decision is final and enforceable unless recourse is filed to the Supreme Court (which reviews points of law only) and an order of suspension is issued.

Anti-counterfeiting online

In Greece, there are no specific legal provisions for the unauthorized online use of a trademark or distinctive sign. However, under the Trademarks Law and Unfair Competition Law a brand owner can prevent the unauthorized use of its trademark or distinctive sign through relevant civil and criminal remedies. The domestic courts consider sale, distribution, advertisement or other online activity to constitute 'use' for the purposes of the Trademarks Law.

The Department of Electronic and Cyber Crime of the Attica Security Division of the Greek police, along with Interpol, helps

brand owners to track the identity and location of online counterfeiters.

Preventive measures/strategies

Use of local counsel and investigators

The involvement of local lawyers and investigators should be the cornerstone of any preparatory actions, not only for their assistance in investigations to discover a counterfeiter's identity, but also for their understanding of the appropriate legal actions and their connections with local police, legal and customs authorities and government partnerships.

Media coverage

Media coverage can be an effective tool for raising public awareness and opposition to anti-counterfeiting.

Proactive brand ownership

If a brand owner informs traders of its IP rights and systematically monitors the market, it will be apparent that the brand owner is ready and willing to protect its IP rights – actions that should nip potential counterfeiting in the bud.

Control of contractual relationships with third parties

The extensive licensing and prominence of a brand in the market can also play an important preventive role.

Official measures

Continued training of customs officials, as well as cooperation between EU customs authorities and other organizations (eg, the World Customs Organization), the allocation of resources to border controls, and the continued seizure and destruction of large quantities of counterfeit goods will all help to deter counterfeiters. EU legislation encourages the exchange of information between customs authorities in the different member states, as well as the cooperation of those authorities with rights holders.

Cooperation with national anti-counterfeiting agencies

Cooperation among brand owners, the Greek police and customs authorities, as well as with international organizations and authorities (eg, Interpol's Intellectual Property Crime Action Group and the World Intellectual Property Organization), should lead to an effective assessment of anti-counterfeiting strategies and promote new systems for improved IP protection. [WTR](#)



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George A Ballas is a senior and managing partner of Ballas, Pelecanos & Associates – the Greek member firm of Counterforce, a network of law firms established by the International Chamber of Commerce's Counterfeit Intelligence Bureau. He is a European patent attorney and a solicitor and barrister before the Athens and Piraeus Court of Appeals, the Supreme Court of Greece and the Council of State. He is a graduate of the University of Athens (LLB) and the University of Paris. He is a member of the International Bar Association and of the Institute of Professional Representatives before the European Patent Office.

Mr Ballas has over 33 years' experience in IP law issues, covering both administration of IP rights and litigation of infringements – including counterfeits. As a trademark and patent specialist, he represents and advises a large number of well-known multinational companies.

Mr Ballas has served as the general legal counsel of Fiat Auto Hellas SA and is the lead outside counsel for Greece of Microsoft Corporation.

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