

## Are Saint Nick and Santa Infringers?



**Mr. Tanguy de Haan**

Partner



**Mrs. Sien Vandezande**

Associate

[tanguy.dehaan@nautadutilh.com](mailto:tanguy.dehaan@nautadutilh.com) [Sien.Vandezande@nautadutilh.com](mailto:Sien.Vandezande@nautadutilh.com)

**With Christmas fast approaching, many of us have begun searching for the perfect presents. Recent figures from the Belgian e-commerce association, BeCommerce, show that at least half of all toy purchases are now made online. Local toy stores no longer serve as the sole purveyor to Saint Nick or Santa Claus, as far-flung web shops increasingly deliver to Belgium. This unfortunately means that counterfeit goods - of both well or lesser-known brands - are becoming more common on the Belgian market.**

Toy manufacturers often hold intellectual property rights such as trade marks, registered designs and copyright, which give them exclusive rights to use brand names, logos, designs and other distinguishing signs in relation to toys. Think, for example, of the iconic LEGO minifigures, the stylised BARBIE logo, the PLAYMOBIL brand name or other sub-brands, designs and packaging used for toys.

When we speak of counterfeit or fake goods, also known as knock-offs, what do we mean? Products identical to those protected by an intellectual property right or which, due to their similarity, consumers are liable to believe originate from the IP right holder may infringe the latter's exclusive rights, in which case they will be considered counterfeit. In some cases, for instance when a trademark is well known, it may suffice for the similarity to provide an advantage to the counterfeiter in order for an infringement of exclusive rights to be found.

Counterfeit goods, such as toys, are often purchased online. Before doing your holiday shopping, it's important to be aware that online purchases entail a number of non-negligible risks.

For example, international shipments (those originating from outside the EU) can be detained by the customs authorities at international airports and seaports if there is a suspicion of counterfeiting. To do so, the authorities rely on Regulation (EU) No 608/2013 concerning customs enforcement of intellectual property rights, also known as the "Customs Regulation".

In practice, the holder of an intellectual property right can submit a request to the competent customs service. If the customs authorities subsequently find goods that appear to infringe the intellectual property right mentioned in the request, they will detain them for a period of ten working days; this period may be extended once for an additional ten working days and is referred to as a "suspension of release" or detention. During this time, it is up to the IP right holder to determine whether the detained goods are actually counterfeit or whether the infringement is insufficient to take action. As copies are sometimes very well done and difficult to detect, a thorough analysis is required. In some cases, only a different serial number or non-original colour indicates that a toy is in fact a knock-off.

In the event counterfeit goods are found and, there is no opposition by the addressee (the person who ordered them), the goods will be destroyed. If the addressee objects to destruction of the goods, the IP right holder must initiate a procedure to prove infringement of its intellectual property rights and prevent release of the shipment. Small shipments (those with three or fewer items or a total weight of less than two kilos) for which a specific request has been submitted will be automatically destroyed if there is a suspicion of counterfeiting.

The risks for consumers who purchase counterfeit goods online include the following:

- Goods determined to be counterfeit may be detained and subsequently destroyed by customs.
- Even if a toy is not destroyed, questions may arise as to whether it meets the quality requirements usually associated with this type of good.
- Fighting infringing practices is costly and financed by the manufacturers of genuine goods to the detriment of investments in marketing and quality.

To avoid leaving Santa Claus empty-handed, it is therefore advisable to purchase toys only on verified e-commerce platforms. Given how difficult it can be to detect counterfeit goods, it's important to examine the characteristics and price of toys carefully, compared to those offered for sale in brick-and-mortar retailers or other online shops.

Finally, it should be noted that if you purchase a knock-off product or toy which does not meet the expected quality requirements, you have a legal right to cancel and return your purchase within a period of fourteen days from delivery (subject to a few exceptions). In practice, many online shops offer a longer return period, for example thirty days. You may be asked to bear the return costs, however.

Santa forewarned is Santa forearmed!