WTR
World Trademark Review

Anti-counterfeiting and Online Brand Enforcement 2021

Greece

Dr Helen G Papaconstantinou and Partners
Fotini Kardiopoulis and Stavroula Politi

A Global Guide

ACG THE ANTI-COUNTERFEITING GROUP
INTA
ICC INTERNATIONAL CHAMBER OF COMMERCE

DR HELEN G.
PAPACONSTANTINOU
& PARTNERS
LAW FIRM

100 YEARS OF SUCCESSFULLY
SERVING DOMESTIC &
INTERNATIONAL CLIENTS
ACROSS THE SPECTRUM
OF INTELLECTUAL
PROPERTY MATTERS

We believe in Excellence
We build on our History
We deliver Success

Patents
Utility Models
SPC's
Plant Breeders' Rights
Trademarks
Designs
Copyright
Anti-Counterfeiting & Anti-Piracy
Litigation
Licensing
Franchising
Commercial and Corporate Services
Internet
E-Commerce and Domain Names
Competition Law
Advertising/Consumer Protection
Foreign Jurisdictions
Consultancy

A 2 Coumbari Str., Kolonaki, 10674 Athens, Greece
T +30 210 3625757, +30 210 3626624
F +30 210 3626742, +30 210 3605873

www.hplawfirm.com

Greece

Dr Helen G Papaconstantinou and Partners

Authors
Fotini Kardiopoulis and **Stavroula Politi**

Greece is one of five member states of the European Union accounting for more than 90% of the total detentions of suspected counterfeit goods in the EU internal market and appears in both the top rankings of detentions by number of items and estimated value of items detained.

The most significant volume of counterfeit imports into Greece occurs through maritime and land transport. China remains the leading player in the production and export of counterfeits that are carried to Greece by sea; while Turkey is among the major exporters of counterfeits arriving in Greece by land. In both cases, the counterfeit goods are either distributed in the Greek market or channelled into the Balkans, Central Europe and Italy. Small parcels and consignments, mostly originating from internet sales, are usually transported via air freight.

The most active customs authorities in this respect are the Third Customs Office of Piraeus, the First Customs of Thessaloniki and the Airport Customs Eleftherios Venizelos.

Greek law enforcement authorities have been heavily affected by the challenges of the covid-19 pandemic throughout 2020 and the first months of 2021, but the work by Greek Customs has not slowed down one bit.

No significant decrease occurred in the number of detentions and seizures of counterfeit goods overall, despite the fact that:

- China – the principal source of counterfeit goods seized in Greece – stood at the epicentre of the covid-19 pandemic;
- the Greek tourist season (during which counterfeiting reaches a seasonal peak) shrank; and
- investigations and enforcement activities were fraught with practical difficulties.

Nevertheless, illicit traders were quick to seize opportunities to exploit the current crisis by adapting their *modi operandi* or developing new infringing activities. The distribution and sale of counterfeit and substandard healthcare, sanitary and pharmaceutical products, as well as personal protective equipment, both online and offline, has been one of the key criminal activities during the pandemic, and one which is particularly worrying from a public health perspective.

Fotini Kardiopoulis
Partner
f_kardiopoulis@hplaw.biz

Fotini Kardiopoulis is a partner at Dr Helen G Papaconstantinou and Partners, heading the anti-counterfeiting department. Since 1998, she has been handling a broad range of IP matters, with an emphasis on trademarks, geographical indications, copyright and plant breeders' rights. She has extensive experience in IP consulting, offline and online enforcement and litigation, devising and implementing anti-counterfeiting programmes and border enforcement.

She has recently been awarded the 2020 Certificate of Excellence on Anti-counterfeiting (Greece) by *Advisory Excellence*.

Ms Kardiopoulis graduated with first-class honours from the Law School of the University of Athens, holds an LLM from the London School of Economics and Political Science and is admitted before the Supreme Court and the Council of State.

Stavroula Politi
Associate
s_politi@hplaw.biz

Stavroula Politi joined Dr Helen G Papaconstantinou and Partners in 2020 after working for another law firm since 2014. She is a qualified lawyer and member of the Athens Bar Association. She graduated from the Aristotle University of Thessaloniki with a law degree and obtained an MSc in business from Alba Graduate Business School. From the beginning of her career as an attorney, she specialised in IP law, focusing on trademarks and anti-counterfeiting. Ms Politi has represented various international corporate clients for the protection of their IP rights before local enforcement authorities.

While there have been various seizures of substandard hygiene goods (eg, protective masks), to the best of our knowledge, no seizures of counterfeit products involving threats to public health have taken place in Greece during this critical time. In this respect, it is worth noting that Greece has yet to ratify the Medicrime Convention, designed, to a significant extent, with public health epidemics and pandemic crises in mind.

The opportunities for infringers during the pandemic do not end with health-related products: consumers have become more reliant on the Internet than ever and, as a result, the increasing amount of online shopping for a variety of goods gave counterfeiters the opportunity to take advantage of both legitimate (eg, e-commerce sites and social media platforms) and illicit avenues (eg, dark web), exposing consumers to burgeoning risks posed by fake goods.

Legal framework

The most important pieces of legislation applicable in Greece as a basis for enforcement against counterfeiting include the following:

- the Trademark Law 4679/2020, which implements the EU Trademark Directive (2015/2436/EC) and the EU Enforcement of Intellectual Property Rights Directive (2004/48/EC);
- Law 2121/1993 on Copyright, Related Rights and Cultural Issues, as amended and now in force;
- Law 2417/1996 on the ratification of the Hague Agreement concerning the international deposit of industrial designs, Presidential Decree 259/1997 on the implementing provisions of said agreement and Presidential Decree 161/2002 implementing the EU Designs Directive (98/71/EC) and the EU Community Designs Regulation (6/2002);
- Law 1733/1987 on technology transfer, inventions and technological innovation, as amended and now in force, and Law 3966/2011, implementing the enforcement of IP Rights Directive (2004/48/EC);
- the Unfair Competition Law 146/1914;
- the Criminal Code and the Code of Criminal Procedure;
- EU Regulation 608/2013 of the European Parliament and of the Council concerning customs enforcement of IP rights and the Commission implementing EU Regulation 1352/2013, as amended by EU Regulations 582/2018 and 1209/2020; and
- Law 4712/2020, which amends Law 3377/2005 on the restructuring of trade, sets out rules on the establishment and operation of an interdepartmental market control unit and regulates the seizure and destruction of pirated or counterfeit goods in the market.

Border measures

EU Customs Regulation 608/2013 is directly applicable in Greece and, since no national border law exists, the regulation sets out the domestic customs intervention procedure.

The Union Customs Code (previously the Community Customs Code) sets out the basic principles regarding clearance and control of goods crossing the external border of the European Union, complementing the regulation.

Regulation 608/2013 contains only procedural rules for customs authorities and does not affect national IP substantive law or the laws of member states regarding criminal procedures.

As a rule, customs authorities suspend the release of suspected counterfeit goods following a national or EU application for action by the rights holder or an authorised party (eg, an exclusive licensee). Such applications are granted for one year and can be renewed for a further year. Nevertheless, customs authorities may also intervene *ex officio* and without any active customs intervention decision being in place, when they suspect that the goods in question may infringe an IP right. In such a case, a national application for customs intervention should be submitted to the Greek Customs Department within four working days of the notification of the suspension of the release or detention of the goods; otherwise, the goods will be released.

Immediately after the suspension of the release of the goods, customs authorities inform the rights holder and the holder of the goods of the actual or estimated quantity and the nature of the seized goods, including any related available photographs. The rights holder is entitled to inspect the goods in situ or, alternatively, a related sample may be obtained.

The rights holder has 10 working days (three working days for perishable goods) from the customs notification to confirm, in writing, the infringing nature of the goods to the customs authorities and to consent to their destruction. This 10-day period can be extended by a further 10 working days upon a justified request by the rights holder. If such a confirmation is not timely submitted to the customs authorities, the goods will be released.

If the declarant or the holder of the goods consents to the destruction or in the absence of any objection by said person or entity, the seized items will be destroyed at the expense of the holder of the decision (known as a simplified procedure).

In the event that the declarant or holder of the goods objects to the destruction of the seized items, the holder of the decision should initiate litigation proceedings (civil or criminal) to determine whether an IP right has been infringed. The initiation of such proceedings should be notified to customs authorities in order to prevent the release of the seized goods.

In such cases, the goods remain detained under customs authorities' supervision until the finalisation of litigation proceedings.

In the vast majority of cases, seized goods found to be counterfeit are destroyed under the simplified procedure. Greece had consistently applied the simplified procedure under the previous Regulation 1383/2003. Pursuant to Regulation 608/2013, customs authorities regularly apply the 'implied consent' rule in all cases when the declarant or holder of the goods had neither confirmed their agreement to the destruction, nor notified their opposition of it.

At the same time, customs authorities also impose administrative fines on infringers, based on the relevant provisions of the Greek Customs Code.

Regulation 608/2013 did not set out any provisions intended to render *Philips/Nokia* (C-446 and 495/09) ineffective or, at least, to mitigate its impact.

Nevertheless, the new Trademark Law introduced a provision – already included in the EU Trademark Regulation (2017/1001) – extending trademark protection to the cross-border transit of goods, according to which trademark owners may prevent third parties from bringing goods coming from third countries into Greek territory, also when the same are not released for free circulation in Greece and placed in all customs situations, even if such goods are not destined for circulation in the Greek market. This entitlement of trademark owners applies to infringing marks that are identical to or that cannot be distinguished in their essential aspects from the registered mark. Entitlement lapses if the holder of the goods, who is involved in the relevant customs proceedings, provides evidence that the trademark owner is not entitled to prohibit the use of the trademark in the country of final destination. This obviously facilitates the seizure of counterfeit goods stated to be in transit, putting the onus of proving that the goods are not infringing on the holder of the goods.

On the other hand, the *Philips/Nokia* principles are still relevant in areas not related to trademark law.

Market actions

Protection of IP rights and the fight against counterfeiting demand both defence at the borders and surveillance within the national territory.

Recent Law 4712/2020 aims at laying down a consolidated and strong control mechanism through the creation of an inter-agency structure for controlling the market (an interdepartmental market control unit), its emphasis being on the tackling of illicit trade in goods and services in the internal market.

The control bodies of this unit (ie, the police, the municipal police, the Financial and Economic Crime Unit of the Ministry of Finance, the coastguard and customs authorities) may seize and destroy counterfeit or pirated goods that have entered the Greek market. These enforcement agencies conduct inspections *ex officio* or upon request of the rights holder in flea markets, warehouses, stores, motor vehicles and in any indoor or outdoor trade area. The counterfeit or pirated goods seized by the enforcement agencies (excluding customs authorities) may be immediately destroyed through any available means, provided that the holder of the goods consents to their seizure and destruction.

Where the holder of the goods objects to their seizure, the procedure can be summarised as follows:

- The goods are stored.
- A seizure report, indicating the quantity of the seized items and the infringed IP right, is issued and both the holder of the goods and the rights holder are notified.
- The rights holder obtains a sample of the seized items and submits, within 10 days, a declaration on whether an IP right has been infringed.
- The competent authority, within 30 days from the issuance of the seizure report and taking into account the rights holder's declaration, concludes as to whether an IP right has been infringed. In case such a finding has not been issued within the 30-day deadline or no IP infringement has been confirmed, the seizure is lifted.
- When the competent authority concludes that infringement has occurred, this finding is notified both to the holder of the goods and the rights holder, and within three days of the notification the seized items are destroyed. The rights holder bears the costs of the destruction.

> **The newly established interdepartmental market control unit is authorised to impose heavy administrative fines of up to €100,000 on the infringers**

The newly established interdepartmental market control unit is authorised to impose heavy administrative fines of up to €100,000 on the infringers, depending on the quantity of the seized items. The infringer is entitled to file a recourse action against the fine notice within 30 days of its issuance, whereas the decision on the recourse is issued within 30 days of its filing.

Since the new law was only recently enacted, its effectiveness has yet to be evaluated. Nevertheless, concerns have already been expressed over some of its provisions, such as those related to the seizure and destruction procedure and to the role and involvement of the enforcement agencies in the finding of infringement. Moreover, rights holders fear that heavy fines may prevent the holders of the goods from consenting to their destruction and result in lengthy and expensive court proceedings.

Criminal prosecution

According to Article 45 of the Trademark Law, various acts of intentional trademark infringement constitute criminal offences. Criminal prosecution, however, does not take place *ex officio*, but following the filing of a related criminal complaint by the rights holder.

The infringer may be sentenced to imprisonment of at least six months and fined no less than €6,000. Professional and commercial-scale infringement are considered TO be aggravating circumstances and a minimum of two years' imprisonment and a monetary fine from €6,000 to €30,000 is provided for the unlawful use of identical marks for identical or similar products, when particularly high profits are sought or very significant damages are threatened and the infringement is on a commercial scale or when the infringer is a professional offender.

Under Article 66 of the Copyright Law, copyright infringement is a criminal offence, which is prosecuted *ex officio*. Infringers are liable to imprisonment of no less than one year and a fine from €2,900 to €15,000. If the financial gain sought or the damage caused is particularly great, the offender may be sentenced to a minimum of two years' imprisonment and a fine from €6,000 to €30,000. Imprisonment of up to 10 years and a monetary fine from €15,000 to €60,000 is provided in cases where the infringer acts 'by profession', on a commercial scale or is considered a serious threat to the protection of copyright and related rights.

In cases of IP infringement and counterfeiting, general criminal law provisions (eg, those regarding forgery, fraud and the acceptance and distribution of illicit goods) may be also applicable, depending on the circumstances of the case. Likewise, criminal provisions are also included in the unfair competition legislation.

Design, patent and plant varieties' infringement are not criminalised under Greek law.

Civil Enforcement

Greek IP legislation has fully implemented the EU Enforcement of Intellectual Property Rights Directive (2004/48/EC).

In cases of IP rights infringement, action may be pursued before the civil courts.

Main infringement actions

In the context of main infringement actions, the rights holder may request:

- permanent cessation of the infringing activities;
- refraining from future infringing activity;
- destruction, confiscation or withdrawal of the infringing products;
- moral and material damages; and
- publication of the judgment in the press or online, at the infringer's expense.

Remedies under bullet points one to three are also available against intermediaries.

In many cases, courts may caution the losing party with a penalty for every breach of the judgment.

When calculating damages, the negative economic consequences suffered by the rights holder – including loss of profits, as well as profits made by the infringer – must be taken into account. Damages may also be calculated based on hypothetical royalties.

Petition for injunction: The rights holder may file a petition for injunction before the competent first-instance court. Injunctive measures are ordered provided that the element of urgency is prevalent in the circumstances of a particular case.

Temporary restraining order: When filing the petition for injunction, the rights holder may also apply for a temporary restraining order, which is granted in cases where the petitioner proves the existence of a *prima facie* serious infringement as a matter of exceptional urgency. *Ex parte* proceedings are also possible in this context, but rare in practice.

Mediation

Recent Law 4640/2019 has initiated a compulsory initial mediation session prior to the hearing of a case before the courts arising from patent, trademark and industrial design infringement. That session, along with proof of the lawyer's compliance with the obligation to inform the client in writing about the option of mediation, have become a prerequisite for the admissibility of a main infringement action by virtue of the new provisions.

Anti-counterfeiting online

Under covid-19 lockdowns, physical shops and stores have been forced to remain closed and customers have been avoiding public places. This led to an unparalleled growth of e-commerce, which, in turn, created even more fertile ground for the online sale of counterfeit goods. Apart from traditional online tools (ie, the creation of e-shops and online marketplaces), counterfeiters have also been taking advantage of social media to channel counterfeits into the market. A common practice is the creation of a social media page where consumers may purchase branded goods at bargain prices via direct messages.

Whenever rights holders become aware of online infringing activity, they may request the blocking of access to the illicit content provided online under Articles 11 and 13 of Presidential Decree 131/2003 (adaptation of the Greek Law to EU Directive on electronic commerce (2000/31/EC).

As far as online copyright infringement is concerned, Article 66e of the Greek Copyright Law established a new, fast, extrajudicial process against online copyright infringement, which is a kind of administrative 'notice and takedown' procedure for online copyright infringement. Under this provision, any primary or secondary rights holder, including collective management organisations, whose

When calculating damages, the negative economic consequences suffered by the rights holder – including loss of profits, as well as profits made by the infringer – must be taken into account

rights have been infringed, may submit an application before a committee set up *ad hoc* for this purpose, namely the Committee for the Notification of Copyright and Related Rights Infringement on the Internet. If the committee finds that copyright infringement is indeed taking place, it invites the notification recipients (ie, the internet access providers and, possibly, the hosting provider and the administrators or owners of the website) to either remove the infringing content or to disable access to said content, as described in the application, by using the most appropriate technical means, depending on the features of the infringement at issue.

Moreover, rights holders may apply for an injunction against intermediaries (ie, internet service providers) whose services are used by a third party to infringe a copyright or related right (Article 64A of the Copyright Law).

Recently enacted Law 4712/2020 has also established a new directorate responsible for monitoring e-commerce within the realm of the interdepartmental market control unit. Its activities include the investigation of information and complaints relating to online illicit trade of goods, in collaboration with all available enforcement agencies. In cases of established online infringement, the directorate may instruct the Hellenic Telecommunications and Post Commission to deactivate the relevant websites. It may also involve the Department of Electronic and Cyber Crime of the Greek Police for further investigation.

Preventive measures/strategies

As a first line of defence, rights holders should register and update their IP rights in Greece. Registration of IP rights with Customs and maintaining customs intervention decisions is also important.

The appointment of a local contact who will also devise a tailor-made anti-counterfeiting overall strategy is also recommended, since this will facilitate communication with the authorities and expedite procedures.

Moreover, it is imperative for rights holders to regularly monitor the unauthorised use of their IP rights, both offline and, particularly, in view of the current e-commerce boom, online. Structured internet searches and frequent market investigations may provide them with a useful insight into the Greek market.

Rights holders should also cooperate with and assist the enforcement agencies in their fight against counterfeiting. Training initiatives are important in this respect, since authorities are often unfamiliar with certain IP rights (eg, plant variety rights) and with the characteristics of genuine and fake goods, their provenance and routes of trade.

The use of technologies such as anti-counterfeit packaging and track-and-trace systems can also discourage counterfeiters.

Further, educating consumers and raising their awareness about the concept of intellectual property and its value, the significance of IP protection, the damage caused by related infringements and the contribution of intellectual property and brands to economies and society may also play a key role in the prevention of counterfeiting.

Rights holders should be proactive, vigilant and determined and must use all available remedies against counterfeiting. Counterfeiting activity is most often the result of calculated risks to increase financial gain, meaning that the certainty and severity of consequences are significant in the context of this rational calculation. As a result, counterfeiting can be deterred more readily than other types of criminal or infringing behaviour, and counterfeiters may have second thoughts when they know that they will be confronted by a rights holder with zero tolerance. WTR

Dr Helen G Papaconstantinou and Partners
2 Coumbari Street
Athens 10674
Greece
Tel +30 210 3626624
Fax +30 210 3626742
Web www.hplawfirm.com