

New information tools!!

SNB-REACT is launching its new information policy!

Our intention is to enhance the services for our associates and to update them on all our activities as well as to give them the most outstanding information on the challenging fight against counterfeit.

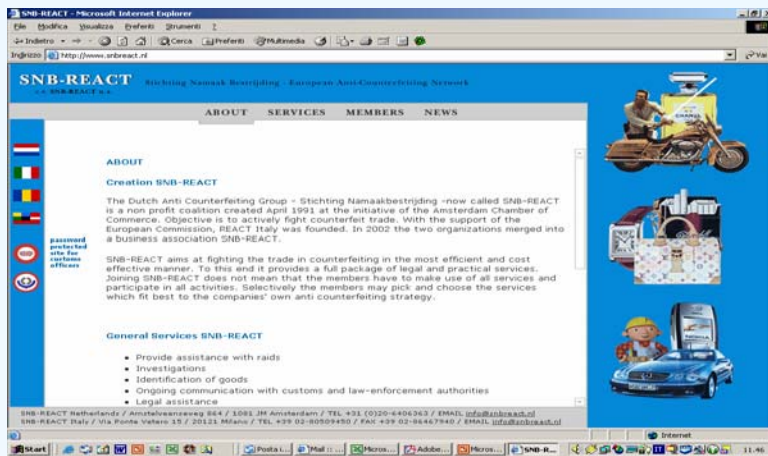
In September a new user friendly website was implemented.

In the new website, you will find a clearer explanation of SNB-REACT services and its structure as well as news and statistics on our actions.

More extensive and complete information has been dedicated to SNB-REACT's units in Italy, Romania and the Baltic States.

Customs and police officers will still benefit from our password protected on - line database, containing specific tip offs on recent counterfeit alerts and useful details for the identification of suspect branded goods.

Another effective and easy to make information tool was confidentially provided to Customs and police



The new user friendly www.snbreact.org

officers during our recent training sessions: a cd-rom containing the same valuable information of the web site transferred into word, pdf. or powerpoint files, to facilitate those authorities which are still lacking of good internet connections. I am particularly proud to present this last project which you are holding either in your hands or reading from the

screen of your PC, because it is a project started and implemented by the Milan unit.

The concept behind this publication is to provide, on a bimonthly basis, an even more interactive tool to spread our news and to communicate with our members. I hope you enjoy reading it and I look forward to receiving any comments!

Paolo Balistrieri – REACT South Europe

Amended Customs Regulation Adopted by Council



The European Commission welcomed the adoption by the EU Council of Ministers of a regulation to combat counterfeiting and piracy. The regulation, which will enter into force on 1 July 2004 and replace the existing regulation (3295/94/EC), sets out the conditions under which the customs authorities may intervene where goods are suspected of infringing intellectual property rights.

The new regulation gives greater legal clarity, extends its scope to new intellectual property rights, makes the rules more accessible for right holders and is a powerful legal instrument to tackle this kind of fraud more effectively. Drafted in close cooperation with right holders and associations, the new regulation introduces significant changes:

The scope is extended to other intellectual property rights in order

to protect consumers more effectively. Statistics show that there are as many counterfeit food products as textile products. It was therefore essential to include geographical indications, designations of origin and plant variety rights. (article 2)

- Applications for action submitted to customs authorities will be free of charge and their form and the information required will be standardised, with validity extended to one year. (articles 5 and 8)
- The destruction of counterfeit products will be speeded up and facilitated in specific cases. This will be of benefit notably where goods presenting a risk for the health and safety of consumers are concerned. (article 11) The new legal instrument should enable customs authorities, in close cooperation with right holders, to improve checks at

external borders and protect consumers and the EU economic area more effectively. The provisional text is available at: http://www.europa.eu.int/comm/taxation_customs/customs/counterefeit_piracy/files/counterfeit_en.pdf

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First half year 2003 enormous increase in products seized and number of cases

In the first half year of 2003, SNB-REACT completed 569 cases involving almost 2.9 million counterfeit products. These six months figures are already an increase compared to the total 2002 figures (2.8 million in the entire year) and almost a doubling of the 2001 figures!

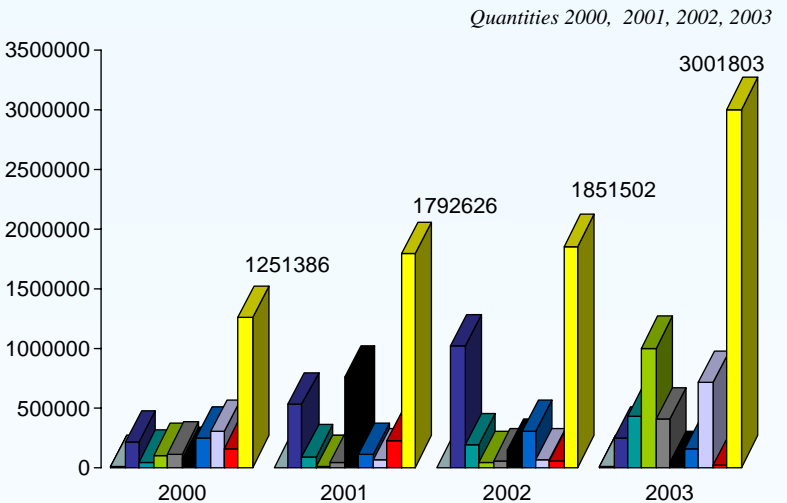
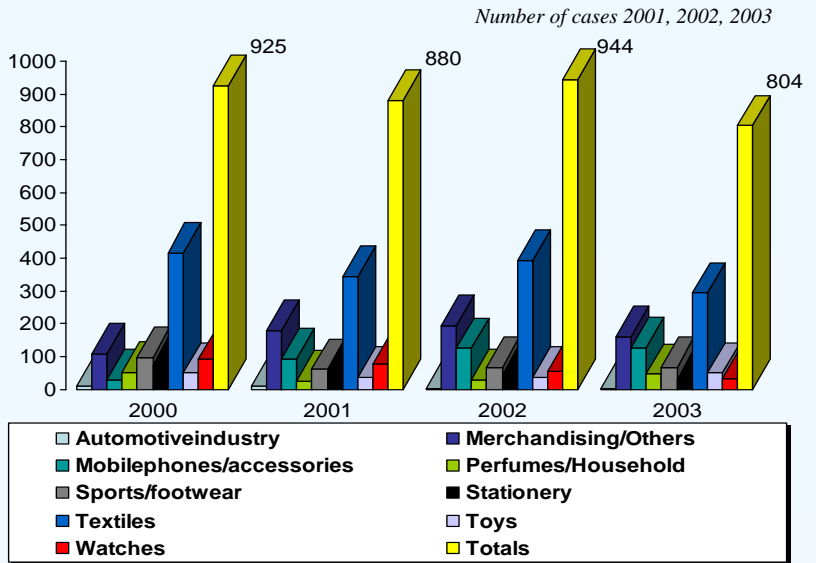
As you can see from the graphics, the most numerous seizures concern counterfeit textiles, followed by sportswear and mobile accessories. This trend has been stable in the past three years.

The increase in cases is mainly due to the fact that SNB-REACT now covers a larger area, with Italy and Romania, and to the numerous seizures managed by Dutch customs authorities. Dutch customs in particular seized large quantities of goods in transit to non EU countries.

Fake Wodka Destroyed

Large volumes of counterfeit Wodka were intercepted by the Rotterdam customs in September.

In the past months more than 10.000 litres were stopped. The Court of Rotterdam granted the orders of the rights owners and the goods could be destroyed.



Good results from Italian office

The Italian office, based in Milan and consisting of a new team since November 2002, has considerably increased the number of cases and items seized since its opening. A total of approximately 200 cases were successfully carried out in 8 months, with the items seized consisting in large prevalence of mobile covers and accessories, followed by replicashirts and merchandising in general. Most of the notifications arise from Customs authorities, but there have also been several ones coming from the local police and the financial police (Guardia di Finanza).

The latter in particular actually asked React to take part in some operations inspecting shops and warehouses.

Moreover, the implementation of the Memorandum of Understanding with Italian Customs now provides for the use of digital cameras to notify the suspension of goods, rendering our services more cost and time effective.

The Italian office also coordinates notifications from Portugal, with the future objective to extend its operations to other Mediterranean countries.

Netherlands Court Decision on Goods in Transit

July 2003 The District Court of Rotterdam rendered several decisions in summary proceedings involving the transportation of counterfeit Vodka. The Court confirmed that the bad faith requirement of article 13 bis Benelux Trademark Act always applies for counterfeit goods. Based on article 13 bis, counterfeit goods can be claimed for destruction at any place and anywhere, as long as it has been determined that the products are fake.

Though storing the goods as such can not be considered an infringement, the goods can be claimed for destruction. The decisions also confirmed once again that goods in transit with a non EU destination can be confiscated based on the EU regulation 3295/94. Even if the products in question are not protected with any IP rights in the country of destination. This is based on the fiction of article 6 par 2 and b of the said

regulation. According to this article, the law of the country where the goods are applied, in order to determine if the goods are counterfeit. This means that for this particular issue, goods in transit are similar to goods locally produced or traded.

Large seizure of Reebok shoes

31 July 2003 - Huge consignment of Reebok sport shoes stopped in Italy. The Customs of Gioia Tauro, Southern Italy, stopped a huge consignment of sport shoes, bearing the TM Reebok but also the counterfeited Reebok TM logo. The shipment was coming from Fuzho in China and directed to the city of Skikda in Algeria. The whole shipment contained over 11.000 pair of shoes and was worth 1 million Euros.



Over 11.000 shoes seized in Gioia Tauro

Seminars in Italy

React Italy has now finalized a series of seminars organized together with Italian Customs and FAPAV (association against video and audio piracy), BSA and FPM (IFPI Italian section).

As you can see from the calendar, the seminars will be held in four different cities which have been identified as the most important and strategic ones in the fight against counterfeiting products.

Three companies will be able to attend each training session. Please contact our Italian office if you would like to participate.

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REACT Training Seminars Calendar of Events

- 20 October – Milan, Italy
- 21 November – Trieste, Italy
- November (Date to be defined) - Budapest, Hungary
- 15 December – Naples, Italy
- 19 January – Bari, Italy

First Seizures in Portugal

Our efforts and investment in Portugal are finally giving their fruits.

We must praise in particular the Customs of Leixoes (Porto) for their good work as we so far received already 4 notifications for the month of September (Prada bags, Spiderman and Toyota toy cars, Burberry scarves), Portuguese customs were provided with digital cameras which now make notifications faster and easier.

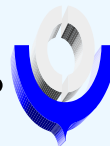


Toy cars consignment in Leixoes

First seizures in Romania

The efforts SNB-REACT has put into the improvement of customs protection at the black sea port of Constanta in Romania is finally starting to pay off. Romanian Customs have been very active in the past months.

In July and August already 60.000 of fake pairs of shoes as well as large quantities of handbags, toys etc have been seized. Constanta is an important port of importation and transit of Chinese goods. It is not difficult to imagine that quite some fakes pass this border. SNB-REACT has provided the customs with access to its brand information site; digital cameras; training sessions as well as guidance how to improve their risks analysis.



WCO IPR Goes Overseas!

Wco IPR has planned a series of training seminars which will take place between the end of 2003 and the beginning of 2004, taking the group members to seven different countries by Spring 2004

Of particular interest is the Seminar planned for Brazil, which had to be postponed several times. The Seminar will be held in Rio de Janeiro at the Intercontinental Hotel.

The WCO-IPR group has elected a new chairman: James Kennedy of Procter & Gamble.

Meeting in The Hague 11/9 - Risk Analysis Project

A new project of the WCO IPR group is the development of a document with risk indications for customs, which was discussed at the last meeting held in The Hague.

Purpose is to assist customs in detecting suspected shipments,

thus making better use of the existing resource

The Hague was the first special meeting for customs experts.

At the next meeting in Paris on 1st December the preparation of the document will be continued.

Outstanding results by Italian Customs

The UE expressed particular satisfaction for the results obtained by Italian Customs in 2002. In particular these results represented "30% of the global results obtained in the 15 member countries" thus registering an extensive progress with regards to the previous year. The number of items intercepted by Italian Customs has increased in the amount of 828%!

<h2 style="text-align: center;">WCO</h2> <h3 style="text-align: center;">Training Seminars</h3> <p style="text-align: center;"><u>Calendar of Events</u></p>		
14-15 October 2003	Brazil, Rio de Janeiro Venue: Intercontinental Hotel	Participants: Swiss Watch Fed, adidas, VF Corporation (to be confirmed), Tommy USA (to be confirmed), MPA, Harley-Davidson, LVMH, Mattel, Lacoste, BIC, IFPI, GM, Philips, Daimler Chrysler, BSA/Microsoft, BAT, Ford (member via Rouse), Unilever, Nike
4-5 November 2003	South Africa	Meeting WIPO
6-7 November 2003	Malta, Valletta Venue: Mediterranean Conference Center	Participants: Epson, Pfizer, IFPI, Harley-Davidson, MPA, VF Europe, Timberland, BBC, Procter&Gamble, Unilever, Manchester United, Nike, Ford
15-17 December 2003	Malaysia, Penang In conjunction with INTAN	Participants: Philips, Prada, Microsoft, LV, Philip Morris, adidas, GM, MPA, IFPI, Nokia, Hewlett Packard, BBC
26-27 January 2003	Serbia and Montenegro, Belgrade	
January 2004	Panama and Costa Rica	Provisional
May 2004	Russia	Provisional

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