What liability do freight forwarders have for trademark infringement in forwarded goods?

Focussed specifically on Swedish national rules in multimodal transport

Master’s Thesis within Commercial Law (Mode of Transport)

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Abstract

In September 2008, a consignment of pirated batteries, which were marked with Panasonic’s trademark, were retained by Swedish Customs. Panasonic sent a warning letter to the freight forwarding company, Tavatur, demanding it to destroy the batteries through the simplified procedure in (EC) No 1383/2003. However, since Sweden has not implemented the simplified procedure, Tavatur was unable to destroy the batteries without a court order from Sweden. Panasonic therefore sued Tavatur, the legal dispute being what liability freight forwarders have for pirated goods.

Due to technical developments within different modes of transport, freight forwarders’ role has changed over the last few decades, from simple duties where the freight forwarder held an intermediary position, to a more independent role in which they now have to be legally classified as either a carrier or an agent. Unfortunately, legal development within multimodal transport has failed to keep pace with the speed of technical development. Bills of Lading, for example, have historically been working as receipts, but due to modern packing techniques, they have lost the normal evidence function they once had. Although there are some international regulations concerning freight forwarding services, they do not extend beyond the countries in which such conditions are used. When a dispute occurs between transport operators, which follow different regulations, the liability of the freight forwarders is unclear. Therefore, freight forwarders are in the need of harmonised legislation, especially concerning their liability for trademark infringements. Nonetheless, there are ways in which freight forwarder can avoid these disputes with right-holders, namely; by protecting themselves with legal cost insurance and via establish their liability through the use of contracts. However, Sweden and other Member States, which have not implemented the simplified procedure, should reconsider an implementation of it.
Foreword

I would like to thank Gärde Wesslau Advokabýrã in Jönköping for introducing the Panasonic v. Tavatur case to me which gave me the inspiration for this thesis. I want to thank my mentor Pernilla Larsson, for helping me throughout my thesis, and thank Johan Nilsson and Gunnar Hjertquist for sacrificing so much time during meetings, discussions and am very grateful for all of their suggestions and comments.


Klara Allgurén
### List of abbreviations

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<th>Acronym</th>
<th>Description</th>
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<tr>
<td>CMI</td>
<td>Comité Maritime International.</td>
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<td>ECJ</td>
<td>European Court of Justice.</td>
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<td>EC Law</td>
<td>European Community Law.</td>
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<td>FIATA</td>
<td>International Federation of Freight Forwarders Associations.</td>
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<td>FIATA Model Rules</td>
<td>FIATA Model Rules for Freight Forwarding Services.</td>
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<td>HMRC</td>
<td>Her Majesty’s Revenue and Customs.</td>
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<td>IP</td>
<td>Intellectual Property.</td>
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<td>NSAB</td>
<td>Nordic Associations of Freight Forwarders.</td>
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<td>NSAB 2000</td>
<td>General Conditions of the Nordic Associations of Freight Forwarders.</td>
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<td>UNIDROIT</td>
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I Introduction

1.1 Background

This thesis has been inspired by the Swedish case Panasonic v. Tavatur [2010] Stockholm’s Tingsrätt, T 13838-08 (hereafter called the Panasonic v. Tavatur case). On 16 September 2008, a consignment of 13 824 batteries were retained by the Swedish Customs (Tullverket) in the port of Gothenburg, following suspicions that the batteries, which were marked with Panasonic’s trademark, were pirated goods. The legal dispute was what liability freight forwarders have for pirated goods.¹

Freight forwarders who work with multimodal transport, (transport involving a combination of different modes within the same contract) have a myriad of legal issues. Firstly, it is not always apparent whether the freight forwarder takes the role as a carrier or an agent, and if this is not clearly defined beforehand the freight forwarder is at risk of being subject to the mandatory rules of a carrier. Secondly, there are different ways multimodal transport is treated within Europe and the United States, which can create problems in relation to multimodal shipments between these two regions.² Thirdly, the law of freight forwarding is not subject to any international convention. The reason for this is because the efforts of the UNIDROIT (International Institute for the Unification of Private Law),³ in 1963 to achieve such a convention have not yet been materialised.⁴ Finally, although there are some international regulations concerning freight forwarding services, they do not extend beyond the countries in which such conditions are used.⁵

Scandinavian countries have no statutory law regulating liability of freight forwarders. Instead, the Nordic Association of Freight Forwarders has since 1919 agreed on General Conditions applicable in Denmark, Finland, Norway, Sweden, and today also in Estonia and Latvia. In 1959, the General Conditions were drafted in co-operation with organisations representing customers. As they could be regarded as an agreed document, they would

² Ulfbeck, Multimodal Transports in the United States and Europe—Global or Regional Liability Rules?
³ UNIDROIT AN OVERVIEW.
in practice fulfil the same functions as statutory law, although these conditions would normally require incorporation into individual contracts in the same way as other standard form contracts.\textsuperscript{6}

Freight forwarders’ liability for goods in their care, especially concerning trademark infringement, is today unclear. There are several cases within EU were right-holders have claimed freight forwarders have liability for goods in their care, when it turns out they are counterfeit or pirated goods. At the moment, courts in EU as well as the ECJ (European Court of Justice) have been cautious with giving any legal guidance for right-holders about freight forwarders’ liability and it is therefore overall unclear what, if any, liability freight forwarders have for trademark infringement. The main reason for this is because the European countries are under the network liability system, which mean the liability for freight forwarders are depended on the law in the country where the damage or dispute occurred.\textsuperscript{7} However, this is a well-known problem for freight forwarders and this thesis will therefore examine four potential solutions to how freight forwarders’ liability for forwarded goods in multimodal transport easier can be regulated.

1.2 Problem formulation and purpose

The aim of this thesis is to investigate whether freight forwarders have any liability for goods in their care, particularly for IP (Intellectual Property) rights. Target groups in this thesis are mainly law students, lawyers, freight forwarders and right-holders. The following two questions will be investigated:

1. What liability do freight forwarders have for trademark infringement in forwarded goods?
2. How should freight forwarders’ liability for IP rights easiest be regulated; through an international convention, freedom of contract, insurance law or improved legislation for Customs’ authorities?

\textsuperscript{6} Ramberg, \textit{The Law of Transport Operators}, Page 86.

\textsuperscript{7} Ulfbeck, \textit{Multimodal Transports in the United States and Europe—Global or Regional Liability Rules?}
1.3 Limitations

This thesis has focused on freight forwarders who deal with transport involving a combination of different modes in the same contract, which is referred to as multimodal transport. The thesis has a global perspective, involving several different countries’ legislation for freight forwarders. However, the focus has been on EC Law (European Community Law) and particular Swedish law. The mode of transport which mainly has been examined is the law of the sea and in particular container trade. The case law, which has been referred to in this thesis has been limited to the cases which specifically deal with trademark infringement. Insurance law and Customs’ authorities’ actions towards trademark infringement have also been discussed as potential solutions for regulation of freight forwarders’ liability.

Another limitation is that the thesis has used only English and Swedish sources. Material written in other languages than Swedish and English is never used as a primary source. However, the German case BGH Xa ZR 2/08 is used through a translation from a summary in English written by Thomas Schachl.

1.4 Method

This thesis follows a traditional Swedish legal method (traditionel praktisk juridisk metod). Therefore, the legal hierarchy will be made up of the following structure: international conventions, EC Law, Swedish legislation, Government Bills, Case Law and legal literature. Furthermore, the Swedish theological method (teologiska metoden) is used, which means that in situations when the law is unclear, the author refers to Government Bills or motives of the legislation to establish the purpose of the law.

Throughout this thesis the term ‘freight forwarder’ is used, which is due to the fact that the English official translation of NSAB 2000 (the General Conditions of the Nordic Association of Freight Forwarders) use this term. Furthermore, the term “freight forwarder” is used them by FIATA (International Federation of Freight Forwarders Associations) in their Model Rules for Freight Forwarding Services. However, other terminologies such as “forwarding agent” and “forwarder” are used in some literature. Especially, the terminology

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“forwarding agent” is frequently used in case law, but that expression appears to be more of an old fashioned legal term, which is seldom used in the English everyday language. For these given reasons, the term “freight forwarder” is used instead of “forwarding agent”.

The author will also examine whether freight forwarders’ liability for goods in their care, can be regulated in an easier way, by investigating *de lege ferenda*. With *de lege ferenda* means that if there is no solution to a specific legal problem, an independent investigation is made to what types of reasonable solutions there might be to the legal problem. In order to find out *de lege ferenda*, the first step is to examine the legal situations as it is today and whether it is sufficient and satisfactory. Swedish Law, the Swedish Maritime Code (Sjölagen), the Swedish Trade Marks Act (Varumärkeslagen), and The Swedish Insurance Acts (Försäkringsavtalslagen and Försäkringsrörselagen) will be examined and when they are insufficient, their Government Bills and sometimes even the motive of the legislation will be examined.

Due to there being very little material referring to freight forwarding services in Swedish legislation or case law, other countries’ case law will be examined as well. However, case law from other English speaking countries, such as Canada and the United States, will be left out and instead limited to European case law.

The second step in order to find out *de lege ferenda*, will be to investigate the second question in the problem formulation, namely to investigate the advantages and disadvantages with the four alternative solutions. This will be presented in chapter 10 where the analysis is made. The final step, in order to determine *de lege ferenda*, will be to establish the best solution, according to the author. Since there is not one solution to how freight forwarders liability for goods in their care can be improved a combination of the four alternatives will be presented in the conclusion in chapter 11.

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14 Varumärkeslag (1960:644).
17 In 1.2.
1.5 Disposition

Chapter 1 - Presents a background, problem formulation and purpose, limitations and the legal method implemented in this thesis.

Chapter 2 - Examines freight forwarders’ role mainly within carriage of goods by sea throughout time. This chapter also examines the legal classification of when the freight forwarder acts as a carrier or an agent, and discusses why it is important to distinguish between these legal classifications.

Chapter 3 - Presents and examines the multimodal problem and the differences between the network liability system in Europe and the uniform liability solution in the United States.

Chapter 4 - Discusses several types of Bills of Lading and why it is used within sea transportation.

Chapter 5 - Investigates the different international regulations for freight forwarders and draft conventions which are important for freight forwarders. This chapter also examines two potential solutions from Ramberg of how the situation for transport operators within multimodal transport should be regulated.

Chapter 6 - Examines whether there is any information about freight forwarders in the Swedish legislations. The Swedish Maritime Code and the Swedish Trade Marks Act will be examined, as well as NSAB 2000.

Chapter 7 - Distinguish itself from the other chapters by investigating freight forwarders’ role in trademark infringements. This chapter especially investigate the Panasonic v. Tavatur case, but other similar cases within the EU will also be examined in this chapter.

Chapter 8 - Examines whether freight forwarders’ insurance can prevent liability for trademark infringement simply by limit their liability insurance from these situations.

Chapter 9 - Presents Customs’ actions towards preventing trademark infringement in the EU and whether these actions should be extended or not.
Chapter 10 - Analysis the four alternative solutions of how freight forwarders’ liability for forwarded goods easiest could be regulated.

Chapter 11 - The conclusion answers the two questions presented in the problem formulation.
2  Freight forwarders

2.1  Introduction

This chapter will examine the freight forwarder’s role in multimodal transport and the legal classifications of freight forwarders. The first part explains why and how freight forwarders’ role has changed over time due to technical developments. The second part will discuss how freight forwarder’s role must to be classified either under liability as a carrier or liability as an agent.

2.2  Freight forwarder’s role in multimodal transport

2.2.1  Introduction

Modern freight forwarders first became evident during the industrial sea transportation when merchandisers started to hire people who had the relevant experience and skills set during a time when the transportation process of goods became both a longer and a more complicated process. During the early days, freight forwarders only operated on one part of the transport chain, not the entire chain.\(^{19}\)

As per the FIATA Model Rules (FIATA Model Rules for Freight Forwarding Services), freight forwarding can be defined as the following:-

“[S]ervices of any kind relating to the carriage, consolidation, storage, handling, packing or distribution of the Goods as well as ancillary and advisory services in connection therewith, including but not limited to customs and fiscal matters, declaring the Goods for official purposes, procuring insurance of the Goods and collecting or procuring payment or documents relating to the Goods.”\(^{20}\)

This definition is so ambiguous it fails to provide a precise and coherent description of the role of freight forwarders; instead it gives a rather inconclusive explanation. According to the definition provided, a freight forwarder is someone who is involved with the transportation of goods. Furthermore, freight forwarding service has not been treated as one type of contract, but more as an intermediate stage which functions are categorised into several different duties, such as agents, carriers and independent contractors etc. The reason for this

\(^{19}\) Heidbrink, *Logistik Artalet – Allmän kontraksträtt i transporträtslig miljö* Page 35.

\(^{20}\) Art. 2(1). FIATA Model Rules.
splitting of freight forwarding services comes from the way transportation was organised a few decades ago.\textsuperscript{21}

\textbf{2.2.2 History}

Even at the start of the twentieth century, the transportation and freight forwarding services, was rather simple and not very developed. For example, if a certain machine was transported from Stockholm to Berlin, this would consist of two separate journeys. Firstly, the machine would have to be shipped from Stockholm to Straslund and then unloaded and transported via a train from Straslund to Berlin. This example of transportation was divided into two parts: the first part was via sea transportation and the other part involved transportation by rail. During this simple transportation process, the freight forwarder did not provide a unique service, instead the freight forwarder held an intermediary position. It was therefore no doubt that freight forwarders were under no mandatory liability.\textsuperscript{22}

However, this all changed when freight forwarders started to use groupage traffic on the railways, which meant that goods from several different customers were packaged in the same load carrier.\textsuperscript{23} Groupage traffic meant goods could be transported at a lower price and there no longer had to be one specific transportation route for each customer’s goods. Instead, freight forwarders now provided a unique function that no one else could perform on the transportation market. Groupage traffic has led to cheaper transportation, which would not exist without the services provided by freight forwarders. Thanks to groupage traffic, freight forwarders could independently control a part of the truckload through contracting the goods in their own name.\textsuperscript{24}

The development towards multimodal transport, when goods are carried under one contract by carriers using at least two different modes of transport,\textsuperscript{25} has led to a dramatic increase in the amount of transport documentation and has made the situation for customers rather complicated. To combat this, freight forwarders started to develop their own trans-

\textsuperscript{21} Heidbrink, Logistik Avtalet – Allmän kontraktsrätt i transporträttslig miljö, Page 37.

\textsuperscript{22} Heidbrink, Logistik Avtalet – Allmän kontraktsrätt i transporträttslig miljö, Page 37.

\textsuperscript{23} Heidbrink, Logistik Avtalet – Allmän kontraktsrätt i transporträttslig miljö, Page 37.

\textsuperscript{24} Heidbrink, Logistik Avtalet – Allmän kontraktsrätt i transporträttslig miljö, Page 38.

\textsuperscript{25} Tiberg, and Schelin, Tiberg & Schelin On Maritime & Transport Law, Page 205.
port documents which covered the whole multimodal transportation process. Consequently, the customers who hired freight forwarders’ service began to consider them as having liability for the goods during the whole transportation route. However, freight forwarders continue to consider them as having no mandatory liability. Until the 1974 version of the Nordic Association of Freight Forwarders, freight forwarders were denied liability as carriers unless they had physically performed the transportation delivery. Nevertheless, in 1974 the Nordic Conditions (NSAB) accepted that freight forwarders sometimes can have liability as a carrier.

2.2.3 The development in recent years

Because of the development of international transportation techniques has led to different actors within the transport market, who previously had rather clear positions and duties, now have a myriad of duties to undertake and their liability is therefore harder to determine. Today, freight forwarders to some extent, often take the liability as carriers, while carriers can take up duties, that before were more associated with the freight forwarding services. The development towards the unit load system and integration in carriage of goods by sea has resulted in many legal difficulties. For example, the unit load system led to several ‘control stations’ on the transportation route where it is possible to determine the quality of the goods. If the goods were not deemed acceptable or of a good quality, it was possible for an individual to make a complaint to the carrier with liability. However, to find the carrier who has liability for the loss or damage is not as easy anymore as it was a few decades ago. When a container is loaded by the merchant in the factory and later opened by the customer in another country, it is hard, and often impossible, to determine where the damage occurred. This is a well known problem within multimodal transport, and since the damage cannot be localised, the different actors in the transport market tend to blame each other for the liability of the goods. This localisation problem has often led to freight

26 Heidbrink, Logistik Avtalet – Allmän kontraktsrätt i transporträttslig miljö, Page 38.
27 Heidbrink, Logistik Avtalet – Allmän kontraktsrätt i transporträttslig miljö, Page 39.
29 Heidbrink, Logistik Avtalet – Allmän kontraktsrätt i transporträttslig miljö, Page 39.
30 Heidbrink, Logistik Avtalet – Allmän kontraktsrätt i transporträttslig miljö, Page 40.
31 Heidbrink, Logistik Avtalet – Allmän kontraktsrätt i transporträttslig miljö, Page 40.
forwarders getting blamed and thus having liability for the goods, since the line between whether freight forwarders acts as agents or as carriers has become very thin.\textsuperscript{32}

2.3  Legal classifications of freight forwarders

2.3.1  Introduction

Today, freight forwarders can have many different functions and it is therefore important to distinguish them from firstly, acting as an agent for the customer or the performing carrier, secondly, as a contracting carrier, (assuming carrier liability but without physically performing the carriage) and finally, as a performing carrier.\textsuperscript{33} However, in most cases, it would be easier to only distinguish between the freight forwarder acting as an agent or a carrier. This is because of the particular documentations and routines that apply to particular modes of transport during the transportation route, such as Bill of Lading and mandatory conventions, might clearly indicate who should bear carrier responsibility. Unfortunately, documents are not always issued with such precision and if a freight forwarder is offering transport, it is therefore important to expressly declare if the freight forwarders does it in their capacity as an agent or a carrier. If this is not declared before, the freight forwarder would risk being subject to the mandatory rules of any applicable convention relating to carriage of goods in that specific mode of transport.\textsuperscript{34}

2.3.2  Freight forwarders acting as carriers

It is not easy to decide when a freight forwarder should be subject to carrier liability, especially due to the fact freight forwarders remain free to adopt the function of a carrier. But, when freight forwarders exercise a function that is more specific to carriers, they are subject to the same mandatory regime as carriers.\textsuperscript{35} Under NSAB Conditions, freight forwarders should be considered as contracting carriers when they issue a transport document in their own name; when the offer created can be reasonably assumed that they have undertaken liability as a carrier, and finally, when the freight forwarder transports goods by road.\textsuperscript{36} Fur-

\textsuperscript{32} Heidbrink, Logistik Artalet – Allmän kontraktsrätt i transporträtslig miljö Page 41.
\textsuperscript{36} ‘Peter Jones’ Commentary’ When Forwarder assumes role as Carrier.
thermore, according to NSAB 2000 freight forwarders can also have liability as performing carriers when they transport goods using their own means of transport.\textsuperscript{37}

When freight forwarders acts as carriers, they “are liable to the extent that [their] fault or neglect has caused or contributed to the loss, depreciation, damage or delay” of the goods. Consideration shall be taken into account whether the freight forwarder has approved or failed to object to the customer’s [demands] concerning the goods,” when assessing freight forwarders’ liability for handling, loading, unloading of the goods, insufficient packing and incorrect address or marking of the goods.\textsuperscript{38}

### 2.3.3 Freight forwarders acting as agents

There is little information and resources providing information about when the freight forwarder is taking the role as an agent instead of a carrier. NSAB 2000 makes no distinction between agents and independent contractors, which is stated in Article 2(C) NSAB 2000:

> “The freight forwarder’s liability includes liability for those he has engaged to perform the contract (agents and independent contractors) […] when he has a liability as carrier […] when the services have been performed by himself with the help of his own equipment or employees, or […] when he has accepted responsibility for the services on his own account.”\textsuperscript{39}

According to NSAB 2000, freight forwarders are only liable for damage resulting from their lack of due diligence in the performance of the contract, when they act as agents. Consequently, freight forwarders are not liable for acts of third parties in performing the transportation concerning the loading and unloading, or other services rendered by freight forwarders, as long as they can prove that they “acted with due diligence in choosing such third parties”.\textsuperscript{40}

\textsuperscript{37} Art. 2(A), NSAB 2000.

\textsuperscript{38} Art. 16., NSAB 2000.

\textsuperscript{39} Art. 2.(C), NSAB 2000.

\textsuperscript{40} Art. 24., NSAB 2000.
3 Multimodal transport

3.1 Introduction

There is no legal definition of the term “multimodal transport” in Swedish law. Traditionally the term is used when goods are carried under one contract by carriers using at least two different modes of transport.41 There are several different problems which arise with multimodal transport, one is the variety of rules due to the different modes of transport, and another being that liability situations are limited from port-to-port, instead of the modern door-to-door transport process.42 The transport operators in the market have tried to overcome these problems by developing special multimodal transport documents, but these vary in contents, and may be difficult to foresee the outcome. Instead, the applicable mandatory regulation for each transport mode will govern the liability of the carrier for the various legs of the transport.43 This chapter will discuss some of the main problems with multimodal transport which is important for sellers, buyers and freight forwarders to know when it comes to forwarded goods.

3.2 Differences between the United States and Europe

Even though maritime law is regulated by fairly comparable rules in the United States and in Europe, there are fundamentally different approaches between the modes of transport, especially concerning inland carriage of goods. Under the United States inland transportation liability rules, the status of the carrier’s liability does not alter throughout the transportation process, whereas EC Law is dominated by a contractual approach. These differences have impacted the way that the multimodal problem is solved in United States and in EC Law. It is common to identify two different models for solving the multimodal problem: “the network liability system” and “the uniform liability solution”.44

41 Tiberg, and Schelin, Tiberg & Schelin On Maritime & Transport Law, Page 205.
44 Ulfbeck, Multimodal Transports in the United States and Europe—Global or Regional Liability Rules?
3.3 The network liability system and the uniform liability system

The advantage with the network liability system is that it ensures that the liability of the contracting carrier will not exceed the liability of the performing carrier. For example, if the goods are carried by sea from New York to Rotterdam and transported by road from Rotterdam to Berlin, the liability of the contracting carrier will be governed by the rules relating to where the damage took place. If the damage took place on the sea leg, the rules regulating carriage of goods by sea would be applicable, whereas the rules regulating road transportation would be applicable if the damage occurred on the road transport. However, the disadvantage with this system is that it can be hard to localise where the damage occurred and it can therefore be impossible to determine what type of mode of transport should be used.45

According to the uniform liability system, the liability of the contracting carrier is instead the same regardless of where the damage took place. The obvious advantage with this system is that it is simple and creates predictability, since the liability of the contracting carrier is not dependent upon the place where the damage occurred. Nevertheless, the disadvantages with this system is that the contracting carrier may not always be able to pass on the loss to the performing carrier responsible for the damage, and the carrier may be governed by rules other than those made applicable to the contracting carrier.46

The differences between the regions must increase dispute solving costs, as it will often be unclear to the transport operators what rules should apply and whether the rules are the same or different in the two legal systems. It is therefore reasonable to consider the prospect for the future and ask whether the two systems could be merged into one global solution to the multimodal problem.47 But it is also important to take these two models of liabilities into consideration, in the creation of future international conventions.48

45 Ulfbeck, Multimodal Transports in the United States and Europe—Global or Regional Liability Rules?
46 Ulfbeck, Multimodal Transports in the United States and Europe—Global or Regional Liability Rules?
47 Ulfbeck, Multimodal Transports in the United States and Europe—Global or Regional Liability Rules?
4 Bill of Lading

4.1 Introduction

The Bill of Lading holds both a unique and highly regarded position in international trade law. One of its most important functions is that it works as a receipt. The Bill of Lading gives the holder of the document the right of control and transfer, so that the holder of the Bill of Lading is the only one entitled to give instructions to the carrier (while the goods are in transit) and to receive the goods at destination.\(^{49}\)

According to the Hamburg Rules, Bill of Lading means:

“[A] document which evidences a contract of carriage by sea and the taking over or loading of the goods by the carrier, and by which the carrier undertakes to deliver the goods against surrender of the document. A provision in the document that the goods are to be delivered to the order of a named person, or to order, or to bearer, constitutes such an undertaking.\(^{50}\)

This chapter will examine the various functions with Bills of Lading by investigating the advantages and disadvantages, when it comes to their evidence function in multimodal transport.

4.2 The need of Bills of Lading

During the carriage of goods by sea, goods are sometimes sold in transit and there is then a special need for a Bill of Lading. Therefore, it is necessary to have a document that both entitles the original buyer to receive the goods and also enables the buyer to transfer the buyer’s right to later potential buyers. Without a Bill of Lading in these situations, the transit of goods would not be possible.\(^{51}\) Furthermore, Bill of Lading is a unique transport document since the risk of loss or damage to the goods may pass to the buyer at the very moment when they are handed over to the carrier. Of course, in the case of goods in tran-


\(^{50}\) Art. 1.(7), The Hamburg Rules.

sit, this will occur before the contract is written. Consequently, the transaction involves the sale of documents representing the goods rather than the sale of the underlying goods.\textsuperscript{52}

According to most jurisdictions, the carrier would owe a duty to the holder of the Bill of Lading to check the condition of the goods if something appears to be wrong. However, it should be carefully noted that references in the Bill of Lading are made to how the quality of the goods appear to be. Within carriage of goods by sea, the possibilities for the issuer of the Bill of Lading to check the goods would not exist, unless the carrier has been charged with the task to pack and inspect the goods in the container. Due to modern packing techniques and goods not being totally visible during the whole transportation process, the normal evidence function of the Bill of Lading is not as useful as it once was.\textsuperscript{53}

Usually, several original Bills of Lading are issued. This practice is necessarily risky, since the right of control and transfer may be vested in different persons at the same time.\textsuperscript{54} The system of several original Bills of Lading is explained by the fact that the unpaid seller would hesitate to give up his right of control to the buyer. However, it is difficult to explain why more than two original Bills of Lading are issued in practice.\textsuperscript{55}

4.3 Ocean Bills of Lading

In some situations two parallel Bills of Lading are issued. The best way to prevent this from happening is to create an Ocean Bill of Lading. An Ocean Bill of Lading is a Bill of Lading which covers the whole transportation process and is issued directly after the goods have been packed and ready for transportation. Thus, certain problems arise when it comes to which party, the carrier, seller, buyer or consignee, is going to establish the Ocean Bill of Lading. Often the freight forwarder or the export agency may establish an Ocean Bill of Lading that covers the whole transportation chain. Obviously, freight forwarders who undertake this commitment, take a sufficient risk in becoming responsible for the goods through the whole transportation process. The individual, who creates the Ocean Bill of Lading, is generally the one who undertakes the role of a carrier. It is therefore not recom-

mended that freight forwarders creates Ocean Bills of Lading, (unless the freight forwarder wish to be subject to the mandatory rules) since they then risks having liability as carriers.\textsuperscript{56}

\subsection*{4.4 Sea Waybills}

As it has been described above, Bills of Lading entail a number of legal difficulties. Therefore, the shipping lines in the 1970s, made efforts to rationalise the documentary procedures by switching from Bills of Lading to Sea Waybills.\textsuperscript{57} The most distinctive difference between Bills of Lading and Sea Waybills is that Sea Waybills do not offer the holder of the document any entitlement to transfer the rights under the document to somebody else. Instead, the goods are delivered directly to the person named as the Consignee in the Sea Waybill.\textsuperscript{58}

In 1990, the CMI (Comité Maritime International) presented the Uniform Rules for Sea Waybills.\textsuperscript{59} The Sea Waybill system designed according to the CMI Uniform Rules would make Bills of Lading unnecessary, apart from situations where the buyer intends to sell the goods in transit. However, so far only a few shipping lines have adopted the system according to the CMI Rules.\textsuperscript{60} The Uniform Rules for Sea Waybills will therefore not be further discussed.

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\textsuperscript{56} Ihre, \textit{Sjöfraktavtal}, Page 299.
\textsuperscript{58} Ramberg, \textit{The Law of Transport Operators}, Page 120.
\textsuperscript{59} Ramberg, \textit{The Law of Transport Operators}, Page 120.
\textsuperscript{60} Ramberg, \textit{The Law of Transport Operators}, Page 121.
\end{flushleft}
5 International regulations for mode of transport

5.1 Introduction

This chapter demonstrates a rather chaotic picture for freight forwarders’ liability internationally, where many international conventions has not yet been materialised, even though they were established several years ago. The Hague and Hague-Visby Rules are still predominated in international trade since most states have been hesitating to ratify other international conventions, for the reason that they do not work as smoothly together with the Hague and Hague-Visby Rules. After all the relevant international regulations connected to freight forwarding service have been presented, two solutions from Ramberg will be examined. These two solutions are the establishment of an international convention or an entirely new legal regime based upon the contract of transport.

5.2 Incoterms 2000

Merchants tend to use short abbreviations to clarify the distribution of functions, cost and risk relating to the transfer of goods from the seller to the buyer. Frequently, misunderstandings arise concerning the proper interpretation of these expressions, and for that reason, Incoterms were established. However, Incoterms do not deal with transfer of property rights in the goods and do not give any relief from obligations and exemptions from liability in case of unexpected or unforeseeable events. Merchants often believe that Incoterms solve most of the problems which may arise in practice. Unfortunately, Incoterms are only rules for the interpretation of terms of delivery and not of other terms of the contract of sale. Incoterms therefore only deals with obligations in connection therewith, such as the obligation to provide documents, to give notice, procure insurance, and pack the goods properly and clear them for export and import. Consequently, there is nothing in Incoterms which deal with situations when goods in freight forwarders’ care infringe an IP

right. However, it should be mentioned that in September 2010 were Incoterms (R) 2010 launched. These new Incoterms will come into effect on 1 January 2011.\textsuperscript{66}

5.3 The Hague- and Hague-Visby Rules

The Hague Rules were established in 1924 and later in 1968, the Protocol to the Hague Rules, which later became known as the Hague-Visby Rules were established.\textsuperscript{67} The Hague Rules are mandatory but are only applicable on contracts covered by Bills of Lading or similar documents of title.\textsuperscript{68} The Hague Rules therefore only applies from the moment when the Bill of Lading regulates the relationship between a carrier and the holder of the Bill of Lading.\textsuperscript{69} Despite this, the Hague and Hague-Visby Rules are still the predominated rules in international trade.\textsuperscript{70}

The aim of the Hague Rules is to protect the third party transferee and it was further extended by the development of the Hague-Visby Rules. According to the Hague-Visby Rules, carriers are prevented from disproving the information as to receipt of the goods as described in the Bill of Lading, when it has been transferred to a third party acting in good faith.\textsuperscript{71} When it comes to the meaning of the Bill of Lading as a receipt, is it clearly stated in Article 3.3(c) in the Hague- and Hague-Visby Rules that:

\begin{quote}
“[N]o carrier, master or agent of the carrier shall be bound to state or show in the bill of lading any marks, number, quantity, or weight which he has reasonable ground for suspecting not accurately to represent the goods actually received or which he has had no reasonable means of checking.”\textsuperscript{72}
\end{quote}

According to this Article, freight forwarders have no liability to state or show in the Bill of Lading that the marks of the goods according to the Bill of Lading are not what they actually received in the container. Undoubtedly, this is the case when freight forwarders have

\textsuperscript{66}‘Incoterms (R) 2010: Revised trade rules for an inter-connected world’.

\textsuperscript{67}Ramberg, \textit{The Law of Transport Operators}, Page 39 and 42.

\textsuperscript{68}Ramberg, \textit{The Law of Transport Operators}, Page 40.

\textsuperscript{69}Ramberg, \textit{The Law of Transport Operators}, Page 41.

\textsuperscript{70}Ramberg, \textit{The Law of Transport Operators}, Page 49.


\textsuperscript{72}Art. 3.3(c)., The Hague- and Hague-Visby Rules.
had no reasonable means of checking the goods in the container beforehand. However, carriers have the liberty to surrender in whole or in part all or any of their rights and immunities or to increase any of their responsibilities and obligations, as long as such surrender or increase is stated in the Bill of Lading.  

However, notwithstanding the provisions in the Hague- and Hague-Visby Rules, the carrier, master or agent of the carrier and the shippers, also have the right to enter into an agreement in any terms to limit their responsibility and liability of the carrier for goods. But, these changes cannot be contrary to public policy, or the care of diligence of the carriers’ or shippers’ servants or agents.

5.4 The Hamburg Rules

On a UNCTAD (United Nations Conference on Trade and Development) conference in the late 1960s, some developing countries expressed their concern over the Hague Rules for being discriminatory. This later resulted in the 1978 Hamburg Rules, which entered into force in 1992. The developing countries found the Hague Rules discriminative, since some of the rules, such as the rule of nautical fault defence, required modern equipment such as radar and GPS, which did not exist in many of the developing countries. However, the Hamburg Rules have not had any significant impact on international trade, but they have triggered domestic legislation incorporating some of its provisions. For example, the Scandinavian countries have used this option in their 1994 Maritime Codes, while they have maintained their ratification of the Hague-Visby Rules.

5.5 CMR Convention

The expansion of international carriage of goods by road led to the CMR Convention (Convention on International Carriage of Goods by Road 1956). This convention was mainly built on the principles of the earlier railway law in CIM (Comité Maritime Interna-

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73 Art. 5., The Hague- and Hague-Visby Rules.
74 Art. 6., The Hague- and Hague-Visby Rules.
tional) but with a somewhat lower monetary limit. In international road carriage the
documentary procedures are not always as clear and consistent, and for this reason, it is not
always certain how to regard a company that offers transport by road/ferry from, for exam-
ple, the United Kingdom to Sweden. If a freight forwarding company would offer such
transport, without declaring that the company does it in the capacity as an agent and not as
a carrier, the freight forwarding company risk being subject to the mandatory rules of the
CMR Convention. The CMR Convention is an important convention which applies for
multimodal transport when the transport is by road, especially for freight forwarders who
act as a carrier since they then are under mandatory liability under this convention. Con-
sequently, the CMR Convention is a perfect example of how important it is that freight
forwarders, who act as agents when they offer transportation partly by road, declare this be-
forehand in order to avoid carrier liability.

5.6 The 1967 UNIDROIT Draft Convention

In 1963, the Governing Council of UNIDROIT (the International Institute for the Unifi-
cation of Private Law) approved the Draft Convention on the Contract of Agency for For-
warding Agents as well as the Draft Convention on the Contract of the Combined Interna-
tional Carriage of Goods. Both these drafts aimed to promote international trade and were
sponsored by freight forwarders and would have established certain uniformity for them.
Unfortunately, these conditions were considered to be a poor substitute for a uniform legis-
lation for freight forwarders. Consequently, the UNIDROIT effort to achieve an interna-
tional convention for freight forwarders, have not yet been materialised. Firstly, the drafts
were issued by private organisations, and their validity was therefore contested. Secondly,
the general conditions varied from one country to another and it was therefore not an easy
task to bridge the different concepts in statutory law relating to freight forwarders. Conse-
quently, these efforts of UNIDROIT to achieve an international convention have not yet
been materialised. However, this draft is an important example of the willingness from
freight forwarders to establish an international convention.

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5.7 FIATA Model Rules for Freight Forwarding Services

FIATA (the International Federation of Freight Forwarders Associations) was founded in 1926 in Vienna, Austria, and is today the largest non-governmental organisation in the field of transportation.\textsuperscript{82} Originally, the FIATA Combined Transport Bill of Lading (FBL) was created in 1971.\textsuperscript{83} Ten years later, FIATA created the FIATA Model of Standard National Freight Forwarding Trading Conditions. That model contained only a few Articles and so far known, no freight forwarding organisation has to any significant extent used that Model. FIATA therefore made a third attempt to modify the differences in the law, and in 1996 the FIATA Model Rules for Freight Forwarding Services was established.\textsuperscript{84} Since the application of the Model Rules is voluntary, it remains to be seen to what extent they will be used in national freight forwarding conditions. In NSAB 2000, the preamble signals have been that in every respect NSAB 2000 offers the customer at least the protection that would follow from applying the FIATA Model Rules.\textsuperscript{85} The FIATA Model Rules therefore have had a significant impact in the Scandinavian countries. However, the FIATA Model Rules will only be examined briefly in this section, since NSAB 2000 follows the same rules.

According to the FIATA Model Rules, freight forwarders are liable if they fail to exercise due diligence and take reasonable measures in the performance of their service.\textsuperscript{86} However, freight forwarders have no liability for “acts and omissions by third parties […] unless [they have] failed to exercise due diligence in selecting, instructing or supervising such third parties”.\textsuperscript{87} When it comes to the monetary limits, they have been set at 2 SDR per kilo for loss of or damage to the goods.\textsuperscript{88} However, for other types of loss, the liability limit for each incident has been left open for the national freight forwarding association, to decide.\textsuperscript{89} These are particular exceptions from liability for valuables as well as for delay and consequential

\textsuperscript{82} ‘FIATA’ Who is FIATA?
\textsuperscript{84} Ramberg, The Law of Transport Operators, Page 94.
\textsuperscript{86} Art. 6.1.1. FIATA Model Rules.
\textsuperscript{87} Art. 6.1.2. FIATA Model Rules.
\textsuperscript{88} Art. 8.3.1. FIATA Model Rules.
loss other than direct loss.\textsuperscript{90} However, there is nothing said about what liability freight forwarders have when they transport or administrate transport of goods, which infringe an IP right.

5.8 CISG

In 1980 was CISG (United Nations Convention on Contracts for the International Sale of Goods) established and in July 2010, UNCITRAL reported that 76 States have adopted the CISG. However, CISG has not yet been ratified by the United Kingdom and it was not until August 2009 that Japan adopted the CISG.\textsuperscript{91} Nevertheless, CISG applies to contracts of sale between parties domiciled in different States first if these States have ratified CISG and when the international private law in a State Party to the convention applies, according to the choice of law.\textsuperscript{92} When parties themselves have chosen a law of a Contracting State, the CISG apply to the contract even when none of the parties has its place of business within a Contracting State.\textsuperscript{93}

CISG have no Articles concerning freight forwarders’ liability more than when they act as independent carriers. In these situations freight forwarders have a significant role when it comes to determine when the risk passes from the seller to the buyer. According to Article 67(1) for example, the risk for the carriage of goods passes to the buyer when the goods are handed over to the first carrier for transmission to the buyer.\textsuperscript{94} However, CISG give no answer to whether freight forwarders have any liability for goods when they infringe an IP right.

5.9 The MT Convention

In 1980 was the MT Convention (United Nations Convention on International Multimodal Transport of Goods) established. However, even this convention has not yet been materialised. When the MT Convention was created, it was expected that the Hamburg Rules would replace the Hague and the Hague-Visby Rules, which would significantly reduce the

\textsuperscript{90} Art. 8.1. FIATA Model Rules.

\textsuperscript{91} ‘CISG’ \textit{Table of Contracting States}.


\textsuperscript{94} Art. 67(2)., Chapter IV Passing of risks, CISG.
differences as to basis of liability for the different modes of transport.\footnote{Ramberg, \textit{The Law of Transport Operators}, Page 48.} The MT Convention reproduced the same exemptions of liability which appears in the Hamburg Rules and reserved the network principle to monetary limits only. According to the MT Convention, the limit could be set higher than the convention, if there is an international convention or mandatory national law which provide a higher monetary limit where loss or damage has been localised. Hence, the Consignor or the Consignee would never risk a reduction of the monetary limits under the MT Convention. Instead, they would benefit from the higher limit that would have applied if they had contracted for the carriage by the mode to which loss or damage could be localised.\footnote{Ramberg, \textit{The Law of Transport Operators}, Page 49.} Nevertheless, the MT Convention has not yet been ratified and one reason for this is because most states have been hesitating to ratify it since the rules in the MT Convention do not work as smoothly together with the Hague and Hague-Visby Rules.\footnote{Ramberg, \textit{The Law of Transport Operators}, Page 49.} Therefore, it remains to be seen what functions, if any, the MT Convention will have for freight forwarders’ liability for trademark infringement.

### 5.10 UNCITRAL Adopted Draft Convention

In 2008, UNCITRAL (United Nations Commission on International Trade Law) approved the draft Convention on Contracts for the International Carriage of Goods Wholly or Partly by Sea. The aim with the Draft Convention is to create a modern and uniform law concerning the international carriage of goods which include an international sea leg, but which is not limited to port-to-port carriage of goods.\footnote{‘Jenny Clif’ \textit{UNCITRAL Adopted Draft Convention […]}.} The liability regime in this Draft Convention is built on a limited network system where the maritime liability applies to all transport legs in relation between the contracting carrier and the shipper. The only exception is where there is a mandatory international liability regime applicable, such as for example the CMR Convention.\footnote{Tiberg, and Schelin, \textit{Tiberg & Schelin On Maritime & Transport Law}, Page 208.}

This draft from UNCITRAL could take several years before and if, it enters into force, just as the MT Convention and UNIDROIT Draft Convention. At the moment, this draft from UNCITRAL does not contain any new suggestions how to make freight forwarding services internationally combined. However, the project in this draft has been to gather in-
formation about current practices and laws in the area of international carriage of goods by sea, with a view to establishing the need for uniform rules in the areas where no such rules existed.\textsuperscript{100}

\textbf{5.11 International convention or an entirely new legal regime?}

\textbf{5.11.1 The establishment of an international convention}

According to Ramberg:

“Previous efforts to expand mandatory liability applicable under the various international conventions for carriage for goods by sea, road, rail and air have been basically unsuccessful and there is no reason to believe why this should change. Minor adaptations of the respective conventions may be possible but beyond that it would be impossible to reach international consensus. Any efforts to introduce innovations in the present international conventions would probably only contribute to further disunity of the law.”\textsuperscript{101}

Nevertheless, appropriate regulations are needed in order to ensure sellers and buyers the delivery of the goods. According to Ramberg an international convention including freight forwarding services, should apply to any contract by a service provider taking goods in charge for delivery to a party as instructed. However, such a convention should not apply to a person having undertaken to perform carriage of the goods by specified mode or modes of transport, or having declared that that person acts as an agent only. With other words, freight forwarders who act as agents should not be under an obligation to follow the convention, according to Ramberg.\textsuperscript{102}

Such a convention should also cover all obligations arising from the contract and cover the service provider’s liability for any breach of contract. Furthermore, it should oblige the service provider to issue upon demand a document, evidencing taking in charge of the goods and an irrevocable promise to deliver them to a party as instructed. Moreover, such a convention should provide the same type of liability as under CISG, and in order to obtain the

\textsuperscript{100} The CMI travaux préparatoires.


\textsuperscript{102} Ramberg, The Law of Transport Operators, Page 186.
freedom of contract, such a convention should also allow the parties to choose if they want to opt out of the convention wholly or partly.\textsuperscript{103}

5.11.2 The establishment of an entirely new legal regime

Perhaps it would be better to retain the conventions covering the different modes of transport in their present form and develop an \textit{entirely new legal regime} based upon the contract of transport, according to Ramberg. Such a contractual approach should also follow the main principles of CISG. However, the strict liability under CISG with exemptions only for circumstances beyond control may be unattractive to those who are used to a more modest liability. On the other hand, the absence of a monetary limitation of liability would not be a good alternative either, according to Ramberg.\textsuperscript{104}

Without doubt, a contractual approach would meet a huge lack of enthusiasm to abstain from traditional restrictions by specific mandatory law, since there would be no certainty that the freight forwarders would offer their customers appropriate protection. Nevertheless, it is a cold comfort when sellers and buyers enjoy some sort of protection by mandatory provisions applicable only to the stage of the transport itself, while they in any event have to suffer from any shortcomings of the law or contract terms applicable for freight forwarding services.\textsuperscript{105}

\textsuperscript{103} Ramberg, \textit{The Law of Transport Operators}, Page 186.


6 Scandinavian regulations for freight forwarders

6.1 Introduction

This chapter will investigate the Swedish legislation, both for freight forwarders through NSAB 2000 and the Swedish Maritime Code, and for trademark infringement through the Swedish Trade Marks Act. Since NSAB 2000 has been specifically written for freight forwarders, this standard document will be examined before the Swedish Maritime Code and the Swedish Trade Marks Act, although NSAB 2000 must expressly be referred to in connection with contracting.

6.2 NSAB 2000

6.2.1 Agreed document

Since 1919, the Nordic Association of Freight Forwarders (NSAB) has agreed on General Conditions applicable in Denmark, Finland, Norway, and Sweden. In 1959, the General Conditions were drafted in co-operation with organisations representing customers and has since then been regarded as an ‘agreed document’. The conditions fulfil in practice the same functions as statutory law, although they normally require incorporation into individual contracts in the same way as other agreed documents. However, courts of law and arbitration tribunals have started to accept the conditions in many cases, even when they have not been referred to in connection with contracting. In 1974, NSAB changed their rules to accepted carrier liability for freight forwarders in some situations. Today, it is even a requirement for members in freight forwarder associations to apply the latest version of NSAB 2000 (Nordic Association of Freight Forwarders General Conditions), which now also applies in Estonia and Latvia.

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107 Varumärkeslag (1960:644).
110 Heidbrink, Logistik Actalet – Allmän kontraktsrätt i transporträttslig miljö, Page 39.
NSAB 2000 set forth freight forwarders’ and the customers’ rights and obligations, including the freight forwarder’s liability under various transport law conventions, such as CMR, and the Hague-Visby Rules.\textsuperscript{113} NSAB 2000 is applicable to members of national associations united with the Nordic Association of Freight Forwarders, but also to other parties who have agreed to apply them, unless otherwise has been expressly agreed.\textsuperscript{114} Furthermore, NSAB 2000 contains two distinct parts; the first one deals directly with contractual liability outside the scope of mandatory law, while the other relates to the liability of the freight forwarder as a performing carrier. The conflicts between different types of mandatory law from the particular rules of the different modes of transport are dealt with by the network liability system.\textsuperscript{115}

### 6.2.2 Is there any liability for counterfeit or pirated goods?

According to § 16, freight forwarders with liability as carriers have no liability for faulty or insufficient information about the goods, or other circumstances in which they could not avoid and for consequences which they were unable to prevent.\textsuperscript{116} However, there are nothing specific stated in NSAB 2000 about freight forwarders who act as agents, more than they have liability for damage resulting from their lack of due diligence in the performance of the contract.\textsuperscript{117} Instead, the customer has, according to § 28 in NSAB 2000, a duty to hold the freight forwarder harmless for damage or loss incurred by the freight forwarder when:

\begin{quote}
“a) the particulars concerning the goods are incorrect, unclear or incomplete, 
b) the goods are incorrectly packed, marked or declared, or incorrectly loaded or stowed by the customer,  
c) the goods have such harmful properties as could not have been reasonably foreseen by the freight forwarder,  
d) due to errors or omissions by the customer the freight forwarder is obliged to pay duty or official taxes or to provide security.”\textsuperscript{118}
\end{quote}

\textsuperscript{113} Introduction to NSAB 2000.

\textsuperscript{114} 1 §, NSAB 2000.


\textsuperscript{116} 16 § fg), NSAB 2000.

\textsuperscript{117} 24 §, NSAB 2000.

\textsuperscript{118} 28 §, NSAB 2000.
In order to estimate the customer’s responsibility in accordance with a) and b) in the quotation above, “regard shall be taken to whether the freight forwarder, despite his knowledge of the circumstances, has accepted or failed to make an objection to the measures taken by the customer in respect of the goods.” Furthermore, if the freight forwarder should become exposed to claims from third parties for the reasons stated above, the customer shall hold the freight forwarder harmless. Consequently, NSAB 2000 only regulates freight forwarders’ liability for damage or loss. Possibly, § 28 (a) can cover situations when goods infringe an IP right, since the information about the goods must be seen as incorrect, or § 28 (c) can become applicable when the goods “have such harmful properties as [it] could not have been reasonably foreseen”. In the Panasonic v. Tavatur case, the pirated batteries turned out to be dangerous, since they had not been rightfully produced. These situations might therefore be applicable under § 28(c), since it could not have been reasonably foreseen by Tavatur that the batteries were dangerous because they were “fake”. Unfortunately, NSAB 2000 only applies to parties who have agreed to apply them and § 28 could therefore not apply to a right-holder who is outside the contract.\footnote{28 \S, NSAB 2000.}

\textbf{6.3 The Swedish Maritime Code (Sjölagen)}

\textbf{6.3.1 Introduction}

The Scandinavian Maritime Codes are mainly based on the Hague-Visby Rules, which should mean that these Codes are quite similar to the other countries which have chosen to follow the Hague-Visby Rules. However, not all countries have chosen to adopt all the Articles in the Hague-Visby Rules. Furthermore, it is up to the Member States to adopt the Articles in the Hague-Visby Rules so they work with their national legislation. Consequently, there are some differences between the Scandinavian countries, but overall these countries’ Maritime Codes are very similar.\footnote{1 §, NSAB 2000.}

The Swedish Maritime Code 1994 is primarily a comprehensive Maritime Code and it does not consider specific situations for freight forwarders’ liability. In fact, the term “\emph{spediter}” which is Swedish for “freight forwarder”, does not even exist in the Swedish Mari-

\footnote{Ihre, \textit{Sjöfraktavtal}, Page 294.}
time Code or in the Government Bill (Prop. 1993/94:195). The Swedish Maritime Code is only applicable for freight forwarders when they act as carriers.

6.3.2 Freight forwarders’ liability as carriers

According to 13 Chapter § 6, carriers have no obligation to investigate the goods when the goods have been delivered in a container, unless there are any reasons to suspect that the transport device has been loaded in a faulty manner, which thereby confirms what is already stated in NSAB 2000. Nevertheless, freight forwarders who act as carriers, have a duty to safeguard the goods owner’s interests by ensuring the carriage is safe and cared for and safeguard the goods owner’s interests from the reception until the delivery of the goods. Furthermore, the freight forwarder who acts as a carrier is also liable for subcarriers, if the carriage was performed wholly or partly by a subcarrier. A subcarrier is a person who performs the carriage or part of it, on behalf of freight forwarders when they act as carriers.

In addition, the freight forwarder who acts as a carrier should to a reasonable extent check the accuracy of statements about the goods in the Bill of Lading. However, if the freight forwarder has no reason to doubt the accuracy of the statements or has not had any reasonable means of checking this, the freight forwarder has a duty to explain this in the Bill of Lading.

6.4 The Swedish Trade Marks Act (Varumärkeslagen)

There is nothing specifically regulated about freight forwarders in the Swedish Trade Marks Act nor in the Government Bills for this Act, (apart from Prop. 1998/99:11). Instead, the

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123 13 Chapter, 6 §, Sjölagen.
124 13 Chapter, 12 §, Sjölagen.
125 13 Chapter, 35 §, Sjölagen.
126 13 Chapter, 1 §, Sjölagen.
127 13 Chapter, 48 §, Sjölagen.
Swedish Trade Marks Act refers to “anybody” who infringe an IP right, and if this is made intentionally or with gross negligence.\(^{129}\)

However, freight forwarders’ role when they acts as a third party in suspected IP right infringements has been debated in the Government Bill (Prop. 1998/99:11 Page 57-58). According to the Swedish Association for the Protection of Industrial Property (Svenska Föreningen för Industriellt Rättsskydd) should people not be directly suspected for IP right infringements, be investigated to ascertain if there is a risk that they might have participated to the infringement. In this Government Bill are freight forwarders named as an example of a person (or company) who often indirectly tribute to IP right infringements, since their service is to administrate transportation of goods between countries. Consequently, the Swedish Association for the Protection of Industrial Property named the freight forwarder as an example of people (or company) who should be examined solely because their work often contributed to trademark infringements, even when this has not been made intentionally.\(^{130}\)

However, this proposal was only debated in the Government Bill and was never granted by the Swedish Government (Regeringen). According to the Swedish Government, no individuals should become investigated of IP right infringement only because there often is a risk those individuals contribute to trademark infringement. Instead, only individuals which are suspected to infringe an IP right should become investigated, in accordance with the Swedish Trade Marks Act. The Swedish Government meant that the integrity of third parties is important to protect.\(^{131}\)

Although, the Swedish Trade Marks Act do not directly establish any rules for freight forwarders, the Act is still important, both for international trademarks and trademarks which used Sweden as a transit country.\(^{132}\) The Act is even applicable when someone has assisted in a trademark infringement.\(^{133}\) Furthermore, according to the motives (SOU 1958:10) of the Swedish Trade Marks Act, shall the Act apply as soon as an illegal trademark has been imported to the country. An intervention can therefore take place towards something that

\(^{129}\) 38 §, Varumärkeslag (1960:644).

\(^{130}\) Prop. 1998/99:11.


\(^{132}\) 4 §, Varumärkeslag (1960:644).

\(^{133}\) 37 b §, Varumärkeslag (1960:644).
can be characterised as preparation for infringement. Consequently, the Act shall e contrario not be applicable for freight forwarders when there is no suspicion that the freight forwarder had any intention to infringe an IP right, unless it can be proved that the freight forwarder has been acting with gross negligence.

7  Freight forwarders’ liability for trademark infringement

7.1  Introduction

The previous chapters have examined freight forwarders’ liability within multimodal transport, but especially focused on carriage for goods by sea. This chapter will instead concentrate on IP rights and how they directly affect freight forwarders. The IP rights that will be discussed are counterfeit and pirated goods, and then the Panasonic v. Tavatur case will be examined. Furthermore, a couple of similar cases within EU will be discussed in order to find out how freight forwarders’ liability has been treated previously.

7.2  Counterfeit and pirated goods

According to Article 2.1(a)(i) in the (EC) No 1383/2003, counterfeit goods are defined as:

“[G]oods, including packaging, bearing without authorisation a trademark identical to the trademark validly registered in respect of the same type of goods, or which cannot be distinguished in its essential aspects from such a trademark, and which thereby infringes the trademark-holder’s rights under Community law [...]”\(^{135}\)

According to Article 2.1(b) in the (EC) No 1383/2003, pirated goods are defined as:

“[G]oods which are or contain copies made without the consent of the holder of a copyright or related right or design right, regardless of whether it is registered in national law, or of a person authorised by the right-holder in the country of production in cases where the making of those copies would constitute an infringement of that right [...]”\(^{136}\)

Consequently, the difference between counterfeit and pirated goods is that counterfeit goods are so similar to another right-holder’s goods it is almost impossible to distinguish its essential aspects from the other right-holder’s trademark. Thus often one cannot tell the difference between a counterfeited good and the right-holder’s goods. Pirated goods, on the

\(^{135}\) Art. 2.1.(a)(i), (EC) No 1383/2003.

\(^{136}\) Art. 2.1.(b), (EC) No 1383/2003.
other hand, are an illegal production of goods with the intention to create the same product as another right-holder’s trademark.

7.3 Panasonic v. Tavatur, T 13838-08

7.3.1 The factual background of the dispute

In September 2008, a consignment of 13,824 batteries was retained by the Swedish Customs (Tullverket) in the port of Gothenburg in Sweden, following suspicions that they were pirated goods. The batteries were marked with Panasonic’s trademark and after their experts investigated the batteries, it was clear that these batteries were pirated goods. The batteries had originally been shipped from China through Singapore to the port of Gothenburg. From the port of Gothenburg the batteries were supposed to have been transported by road to the port of Stockholm, by a Swedish delivery agent (Baltrans Logistics AB), hired by a Finish company called Oy Tavatur Shipping Ltd (Tavatur). From Stockholm the batteries were meant to have been shipped to the port of Helsinki in Finland, but it is unclear where the batteries were to be transported after reaching Helsinki. In response, Panasonic, sued Tavatur and claimed they had liability for these pirated goods.\(^{137}\)

7.3.2 Panasonic’s and Tavatur’s claims

Panasonic claimed that these batteries contributed to trademark infringement, and should therefore be destroyed, according to Article 17.1 (EC) No 1383/2003 and 41 § in the Swedish Trade Marks Act.\(^{138}\) Panasonic also stated that Tavatur should be seen as the Consignee of the goods, due to the Ocean Bill of Lading referring to Tavatur as the Consignee. However, Tavatur referred to another Bill of Lading, where Tavatur is defined as the “forwarding agent” (hereafter called freight forwarder) and the company King Freight International Corp (hereafter called King Freight) was responsible for the shipment of the batteries.\(^{139}\)

No matter whether Tavatur is to be seen as the freight forwarder or the Consignee, the batteries still cannot be destroyed through the simplified procedure in Article 11 (EC) No 1383/2003. According to the simplified procedure, counterfeit and pirated goods can under

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\(^{138}\) 41 § Varumärkeslag (1960:644).

certain circumstances be seized by customs on the basis of a witness statement alone. However, Sweden has chosen not to implement Article 11 and the batteries can therefore not be destroyed through this Article. Nevertheless, Panasonic still claimed that Tavatur were careless and therefore responsible for the trademark infringement, since it opposed those being destroyed when it received the warning letter from Panasonic. According to Panasonic, freight forwarding companies such as Tavatur, should have an extensive obligation to examine goods in their care before they are transported. In addition, Tavatur should have regulated their responsibility beforehand in the contract of freight forwarding.

Tavatur responded to Panasonic’s accusations, firstly by stating that it should not be considered as the Consignee, since Tavatur had no knowledge about its role in this multimodal transport when the Ocean Bill of Lading was established. Instead, Tavatur first became aware of its role when it received the Bill of Lading from King Freight, which stated that Romanov Sergey was the Consignee and Tavatur was the freight forwarder. As the freight forwarder, Tavatur has no right to destroy the pirated goods, since Article 11 has not been implemented in Sweden. To destroy these pirated goods, Tavatur therefore would need a court order from Sweden.

Throughout the transport process, Tavatur has fulfilled all the tasks and duties that a freight forwarder is required to do. When goods are shipped via containers, the freight forwarder is not responsible to investigate all the goods, and if the freight forwarder would be responsible to do so, it would go against the principals of mode of transport.

### 7.3.3 The District Court’s grounds for its judgment

The District Court in Stockholm (Stockholm’s Tingsrätt) chose to follow the Bill of Lading which Tavatur referred to, and thereby acknowledged Tavatur as a freight forwarder. The District Court started by pointing out that, according to 37 b, 38 and 41 §§ in the Swedish Trade Marks Act, there is no right for a penalty compensation, destruction, reasonable compensation, or damage compensation when there is a risk for trademark infringement.

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However, 37 b § in the Swedish Trade Marks Act is based on the implementation of Article 11 in the European Directive 2004/48/EC, which states that:

“Member States shall ensure that, where a judicial decision is taken finding an infringement of an intellectual property right, the judicial authorities may issue against the infringer an injunction aimed at prohibiting the continuation of the infringement. [...] Member States shall also ensure that rightholders are in a position to apply for an injunction against intermediaries whose services are used by a third party to infringe an intellectual property right [...]”\textsuperscript{145}

According to the Swedish implementation of this Article, it is not enough if the goods are suspected to infringe an IP right. Instead, there has to be a completed infringement of an IP right, or at least an attempt or preparation to exercise infringement.\textsuperscript{146} The District Court therefore investigated whether the Swedish implementation of this Article had been made in harmonisation with EC Law or not, but came to the conclusion that the implementation was not in breach with the EC Law principals’. Consequently, 37 b § in the Swedish Trade Marks Act must be followed.\textsuperscript{147}

However, when it comes to a Community trademark, the court shall, according to Article 98 in the European Council Regulation (EC) No 40/94, issue an order prohibiting the defendant from proceeding with the act which infringed or would infringe the Community trademark, unless there are special reasons not to do so. The same provision is stated in the European Council Regulation (EC) No 207/2009, which replaced (EC) No 40/94, on 24 March 2009.\textsuperscript{148} Furthermore, according to 66 § in the Swedish Trade Marks Act, 37-41 h §§ regulates responsibility for infringement of a Community trademark and should be followed, unless otherwise is stated in (EC) No 207/2009.\textsuperscript{149} Consequently, Article 102 (EC) No 207/2009 (formal Article 98 (EC) No 40/94) only requires that the defendant’s action which would infringe the Community trademark, should be followed instead of 37-41 h

\textsuperscript{145} Art. 11., 2004/48/EC.

\textsuperscript{146} Panasonic v. Tavatur [2010] Stockholm’s Tingsrätt, T 13838-08, Page 11.


\textsuperscript{149} 66 §, Varumärkeslag (1960:644).
§§, in the Swedish Trade Marks Act. However, Article 102 in (EC) No 207/2009 cannot be used instead of 37-41 h §§, when the defendant only has contributed to trademark infringement.

In addition, these goods were in an external customs procedure, and the District Court therefore stated that an import to a European Member State does not automatically mean a trademark infringement. Instead, these pirated goods must be used by the defendant, Tavatur, for the goods to infringe Panasonic’s trademark, and since Tavatur never used these pirated goods, or intend to do so; the import of these pirated goods does not automatically mean there has been a trademark infringement.

Finally, the District Court investigated whether Sweden’s choice not to implement Article 11 (EC) No 1383/2003, which contained the simplified procedure, was against the principals’ of EC Law. But, since Tavatur never used or intended to use the pirated goods on the European Market, there was never any risk for trademark infringement, according to the District Court. Nonetheless, the District Court investigated whether it was wrong not to implement Article 11 in (EC) No 1383/2003 by looking at other European cases. After the examination of some other European cases, and in particular case C-93/08 Schenker SIA v. Valsts īenēmumu dienests, the District Court decided that Sweden never had a legal obligation to implement Article 11, since it was optional, according to the C-93/08. Consequently, the District Court cannot destroy these pirated goods through the simplified procedure, since that procedure has not been implemented, nor can it issue any penalty compensation on Tavatur, because of Sweden’s implementation of Article 11 in 2004/48/EC.

7.3.4 The appeal to the Court of Appeal

Panasonic has appealed the judgement by the District Court to the Court of Appeal in Stockholm (Stockholm’s Hovrätt). Panasonic’s claims to the Court of Appeal are almost identical to the ones in the District Court. However, this time has Panasonic requested the

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Court to ask for a preliminary ruling from the ECJ before it establish its decision, whether the implementation of Directive 2004/48/EC and the choice not to implement Article 11 in (EC) No 1383/2003 is in accordance with EC Law.\textsuperscript{156} More about Panasonic’s appeal and Tavatur’s respond to the appeal will be discussed in the following sections and chapters.

7.4 Other European cases

7.4.1 C-316-05, Nokia Corp. v. Joacim Wärdell

In 2002, Mr Wärdell imported ‘flash stickers’ into Sweden from the Philippines. These are adhesive stickers which are intended to be attached to mobile telephones and contain a light-emitting diode which flashes when the telephone rings. On the occasion of a customs inspection it was found that a number of those ‘flash stickers’ bore the mark Nokia, either on the product itself or on the packaging. Mr Wärdell however, claimed that it was a question of defective delivery, without his knowledge, on the part of the supplier.\textsuperscript{157} The questions the Swedish Supreme Court (Högsta Domstolen) asked ECJ were the meaning of Article 98.1 of (EC) No 40/94 and essentially the interpretation of “special reasons” in that Article.\textsuperscript{158} According to Article 98.1 in (EC) No 40/94:

“Where a Community trade mark court finds that the defendant has infringed or threatened to infringe a Community trade mark, it shall, unless there are special reasons for not doing so, issue an order prohibiting the defendant from proceeding with the acts which infringed or would infringe the Community trade mark. It shall also take such measures in accordance with its national law as are aimed at ensuring that this prohibition is complied with.”\textsuperscript{159}

This case was used as a reference when Panasonic claimed in the appeal to the Court of Appeal that there had been a trademark infringement as soon as pirated goods had been

\textsuperscript{156} ‘Överklagande’ (the appeal by Panasonic to Stockholm’s Hovrätt) Page 3.

\textsuperscript{157} C-316-05, Nokia Corp. v. Joacim Wärdell, Paragraph 13-14.

\textsuperscript{158} C-316-05, Nokia Corp. v. Joacim Wärdell, Paragraph 20.

\textsuperscript{159} Art. 98.1., (EC) No 40/94.
imported into a European Member State. Panasonic’s claim referred to Paragraph 36, where the ECJ decided that Article 98.1 in (EC) No 40/94 is to be interpreted as:

“[T]he mere fact that the risk of further infringement or threatened infringement of a Community trade mark is not obvious or is otherwise merely limited does not constitute a special reason for a Community trade mark court not to issue an order prohibiting the defendant from proceeding with those acts.”

Furthermore, Panasonic claimed in the appeal to the Court of Appeal, that Tavatur as a freight forwarding company is not less responsible for infringement, according to Paragraph 34 in C-316/05:

“An interpretation according to which the issue of a prohibition against further infringement or threatened infringement of a Community trade mark was conditional on an obvious or not merely limited risk of recurrence of such acts on the part of the defendant would result in the extent of the protection of that mark varying from one court to another, indeed from one action to another, according to the assessment made of that risk.”

However, according to Paragraph 35, this Paragraph does not preclude a Community trademark court from issuing such a prohibition when it finds that further infringement or threatened infringement on the part of the defendant is no longer possible. Paragraph 35 therefore, indirectly states that in situations when the court finds that no further infringement is possible, Paragraph 34 becomes meaningless.

This case is important because it provide a definition of Article 98.1 of (EC) No 40/94, which is referred to in the Panasonic v. Tavatur case. According to ECJ’s judgment, a Community trademark court which has prohibited the defendant from proceeding with infringement or threatened infringement of a Community trademark is required to take actions from the measures provided under national law, which are aimed to ensure that the prohibition is fulfilled. The Community trademark court is also required to ensure the

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160 ‘Överklaganden’ (the appeal by Panasonic to Stockholm’s Hovrätt) Page 5.
161 C-316/05, Nokia Corp. v. Joacim Wärdell, Paragraph 36.
162 ‘Överklaganden’ (the appeal by Panasonic to Stockholm’s Hovrätt) Page 6.
163 C-316/05, Nokia Corp. v. Joacim Wärdell, Paragraph 34.
164 C-316/05, Nokia Corp. v. Joacim Wärdell, Paragraph 35.
prohibition is being fulfilled even if those measures could not, under that law, is considered a corresponding infringement of a national trademark.165 According to Panasonic’s appeal, this means that a Community trademark court cannot forbear to approve a claim to destroy goods when the court find that the goods infringe a Community trademark or threatened infringement of this trademark.166

7.4.2 C-495/09, Nokia v. HMRC

In July 2008, the UK customs authority HMRC (Her Majesty’s Revenue and Customs), stopped and inspected, at Heathrow Airport, a shipment of goods which was being shipped from Hong Kong to Colombia. It contained approximately four hundred mobile telephone handsets, batteries, manuals, boxes and hands-free kits, each of which bore Nokia’s trademark. Thereafter, Nokia notified HMRC that these were counterfeit goods and asked whether it would be prepared to seize the goods pursuant to its powers under the (EC) No 1383/2003.167 However, the HMRC responded to Nokia’s request by stating that it had difficulty in understanding how these goods could be considered as “counterfeit” within the meaning of Article 2.1.(a)(i) of (EC) No 1383/2003, unless there is any evidence that suggests that the “fake” goods might be diverted onto the EU market. In the absence of such evidence, HMRC indicated that it did not believe it would be lawful to seize the “fake” goods, since it would deprive the owner of these goods.168

There was never a dispute in this case, whether the goods where “fake” or not, since they bore the sign ‘Nokia’, but had been produced and distributed without the consent of Nokia. There was equally never a dispute whether there was any evidence to suggest that these goods would find themselves in the UK market or in any other Member States.169 The dispute in particular concerned the correct interpretation of Article 2.1.(a)(i) of (EC) No 1383/2003, and whether, in the light of the decision in case C-281/05 Montex Holdings Ltd v. Diesel SpA, customs authorities can have the power and obligations to detain goods that are in transit through the EU from one non-Member State to another non-Member State, in the absence of evidence that these goods will be available in markets within Member

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165 C-316/05, Nokia Corp. v. Joacim Wärdell, Paragraph 4 (in the final judgment).
166 ‘Överklagandet’ (the appeal by Panasonic to Stockholm’s Hovrätt) Page 8.
167 C-495/09, Nokia v. HMRC, In the Court of Appeal 014569, Paragraph 8-9.
168 C-495/09, Nokia v. HMRC, In the Court of Appeal 014569, Paragraph 10.
169 C-495/09, Nokia v. HMRC, In the Court of Appeal 014569, Paragraph 14.
The Court of Appeal (England & Wales) (Civil Division) has therefore requested the ECJ to make a preliminary ruling on the following questions of EC law:

"Are non-Community goods bearing a Community trade mark which are subject to customs supervision in a Member State and in transit from a non-Member State to another non-Member State capable of constituting ‘counterfeit goods’ within the meaning of Article 2(1)(a) of Regulation 1383/2003/EC (1) if there is no evidence to suggest that those goods will be put on the market in the EC, either in conformity with a customs procedure or by means of an illicit diversion."

ECJ has so far not presented its preliminary ruling on this question, but the case is important because it has many similarities to the Panasonic v. Tavatur case. Just as in the Panasonic v. Tavatur case, Nokia was in this case not able to identify either the Consignor or the Consignee. Furthermore, the Nokia v. HMRC case deals with the problems when a non-Member State is involved, just as the Panasonic v. Tavatur case, involves multimodal transport. Finally, HMRC has no legal power, to seize the “fake” goods, just as the District Court in Sweden came to the conclusion that it had no legal power to seize the pirated Panasonic goods.

7.4.3 C-93/08, Schenker SIA v. Valsts iegumumu dienests

Panasonic referred in the appeal of the District Court’s judgment in the Panasonic v. Tavatur case, to case C-93/08, by stating that authorities in Member States can sanction a freight forwarder who is responsible for the import of infringement of IP rights into EU. In C-93/08, Schenker who was a customs agent, released goods bearing the trademark ‘Nokia’ for free circulation on the European market. Schenker released the goods in his own name and on behalf of the Consignee of the goods. The Riga Customs Office sus-

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170 C-495/09, Nokia v. HMRC, In the Court of Appeal 014569, Paragraph 2.
171 C-495/09, Nokia v. HMRC, In the Court of Appeal 014569, Paragraph 27.
172 C-495/09, Nokia v. HMRC, In the Court of Appeal 014569, Paragraph 27.
173 C-495/09, Nokia v. HMRC, In the Court of Appeal 014569, Paragraph 11.
176 ‘Panasonics komplettering av överklagandet’ (Panasonic’s complementary to their appeal) Page 18-19.
177 C-93/08, Schenker SIA v. Valsts iegumumu dienests, Paragraph 10.
pected that these goods were counterfeit and in accordance with Article 9 in (EC) No 1383/3003, the customs authorities detained the goods and took samples which were sent to a representative of the Nokia Corp. After the goods had been examined, Nokia Corp informed the customs authorities that the goods were counterfeit and discussed with the Riga Customs Office, concerning the possibility of applying the simplified procedure\textsuperscript{178} for these goods to be destroyed.\textsuperscript{179}

However, Tavatur does not believe that C-93/08 supports Panasonic’s claim that freight forwarders have a responsibility for trademark infringements. The reason for this is that C-93/08 does not support Panasonic’s claim that (EC) No 1383/2003 can prescribe sanctions for a suspected trademark infringement or assistance to trademark infringement.\textsuperscript{180} Instead, C-93/08 deals with the issue whether the simplified procedure is optional or not for a Member State to implement, according to Tavatur.\textsuperscript{181}

\textbf{7.4.4 BGH Xa ZR 2/08}

In this German case, (decision of September 17, 2009 – Case Xa ZR 2/08 – MP3-player import) the plaintiff was an exclusive licensee of patented mp3 player technology, and the defendant an international “forwarding agent” (hereafter called freight forwarder) who had imported patent-infringing mp3 players from China on behalf of his customer. These mp3 players were confiscated on the plaintiff’s request by the customs authority in Germany. Consequently, the plaintiff requested to have the infringing goods destroyed. The defendant however, objected to this request, as he did not see himself responsible for patent infringement, because forwarding agents have no obligation to examine the compliance of the goods in their care, according to German patent law.\textsuperscript{182}

According to earlier German case law, freight forwarders were usually never obliged to examine the compliance of handled goods, due to the great amount of goods handled in international trade. However, it was not clearly decided whether there may be exceptions to this rule. In 2008, the Federal Supreme Court in Germany decided that the provider of

\textsuperscript{179} C-93/08, Schenker SIA v. Valsts ieņemumu Dienests, Paragraph 11-13.
\textsuperscript{180} “Tavatur’s yttrande” (Tavatur’s statement to Panasonic’s appeal) Page 23.
\textsuperscript{181} C-93/08 Schenker SIA v. Valsts ieņemumu Dienests, Paragraph 27.
\textsuperscript{182} Thomas Schachl’ The Bardehle Pagenberg IP Report, Page 6.
trademarks would only have to oblige to examine the legitimacy of the handled goods in cases of an obvious infringement (Federal Supreme Court I ZR 73/05 I ZR Internet Versteigerung III/Internet Auction III). But already the year before, the Court of Appeal in Hamburg decided that freight forwarders would only have to examine the legitimacy of the handled goods, “if there is a definite acknowledgement of falsification” (Court of Appeals Hamburg 5 U 188/06–YU-GIOH!-Karten/YU-GI-OH!-Cards). 183

On 17 September 2009, the German Federal Supreme Court confirmed the Court of Appeal in Düsseldorf’s preceding decision that in patent infringement matters, freight forwarders were usually not obliged to examine the compliance of the handled goods according to German law. Nevertheless, when there already were mere indications (for example a warning letter) of patent infringement, freight forwarders were obliged to evaluate the legitimacy of the goods. What was “mere indications of patent infringement” had to be determined on a case-by-case basis, depending on the alleged extent and likelihood of patent infringement (also known as principle of reasonableness). Consequently, only in cases where the freight forwarder was aware of potential patent infringement indications and did not comply with his obligation to evaluate these suspicions’, the patent proprietor is entitled to request the freight forwarder to skip further infringement and to destroy all infringing goods. 184 Nevertheless, the freight forwarder must always be aware of sufficient indications of patent infringement, for example through a warning letter, in order to be liable for transporting any goods which were trademark infringements. 185

According to Panasonic’s claim in the District Court, (and the appeal to the Court of Appeal) Tavatur has not voluntarily approved Panasonic’s request to destroy the pirated batteries, which harmed Panasonic greatly. The argument in BGH Xa ZR 2/08, that a freight forwarder has an extensive responsibility for trademark infringement, does not seem to bear the whole way, according to Panasonic. This argument should instead be stricter, according to Panasonic. The reason for this is that freight forwarders with an intermediate position have the possibility to regulate the regress through contract towards their customer, in situations when there would be a trademark infringement, according to Panasonic. Even li-

ability insurance for the freight forwarder should be able to cover these situations, according to Panasonic.186

However, according to Tavatur, it is clear from BGH Xa ZR 2/08, that the freight forwarders have a responsibility to take actions only when they are aware of this or when there are any sufficient indications of a trademark infringement. Ever since Tavatur received the warning letter from Panasonic, it announced that it did not oppose that the batteries should be destroyed. Thus, Tavatur fulfilled all the demands which were required from Tavatur as the freight forwarder in this situation, according to the BGH Xa ZR 2/08.187

7.4.5 The North-Face case (NJA 2008 s. 1082)

In the North-Face case (NJA 2008 s. 1082) a father helped his daughter by arranging the transport of counterfeit goods from China to Sweden. These counterfeit goods were jackets which were very similar to North-Face’s jackets’ and these “fake” jackets were supposed to be used in the daughter’s business operation. The father’s duties were to pay for the jackets, on the account of his daughter, to stand as the Consignee in the transport document, to pay some tax fees, and to complete some custom formalities.188

North-Face which is the right-holder to these goods claimed that the father was, by importing these jackets and intentionally giving them to his daughter, guilty of trademark infringement. Even though, the father never intended to use these jackets, it was due to his actions that they were able to import the counterfeit jackets. Consequently, the father was prohibited to use these jackets by the Swedish Supreme Court and he had to pay penalty compensations.189

One of Panasonic’s claims to the Court of Appeal in the Panasonic v. Tavatur case was that Panasonic could not sue anyone else apart from Tavatur, in order to prevent the Swedish Customs from releasing the pirated goods on the open market. According to Panasonic’s appeal, it would be impossible if the court required that the formal owner of the counterfeit or pirated goods had to be located for a court to destroy the goods, as it was in the Swedish

186 ‘Panasonic’s komplettering av överklagander’ (Panasonic’s complementary to their appeal) Page 19.
188 NJA 2008 s. 1082.
189 NJA 2008 s. 1082.
North-Face case.\textsuperscript{190} Tavatur on the other hand, responded to Panasonic’s appeal by claiming that a transit procedure within Swedish and European territory in itself, cannot lead to trademark infringement,\textsuperscript{191} since there has only been a trademark infringement when customs has let out the goods on the free market, according to the North-Face case.\textsuperscript{192}

In conclusion, the main difference between the North-Face case and the Panasonic v. Tavatur case is that it was clear in the North-Face case that the father was the Consignee and that there was an intention to use these counterfeit goods in the daughter’s business operation. In the Panasonic v. Tavatur case on the other hand, there is no proof that Tavatur, had any intention to use the pirated batteries and it is still a dispute whether Tavatur is to be seen as the Consignee or not. Panasonic claims in the appeal to the Court of Appeal that Tavatur should be regarded as the Consignee (since Panasonic refers to the Ocean Bill of Lading) and Tavatur has the possibility to make the goods available on the European market as soon as the goods reach the port of Helsinki.\textsuperscript{193} Tavatur on the other hand, refers to the Bill of Lading where King Freight is the Consignee and Tavatur is the freight forwarder, and Romanov Sergey was the Consignee.\textsuperscript{194}

\textsuperscript{190} ‘Överklagande’ (the appeal by Panasonic to Stockholm’s Hovrätt) Page 8.

\textsuperscript{191} ‘Tavats yttrande’ (Tavatur’s statement to Panasonic’s appeal) Page 8.

\textsuperscript{192} ‘Tavats yttrande’ (Tavatur’s statement to Panasonic’s appeal) Page 9.


\textsuperscript{194} Panasonic v. Tavatur [2010] Stockholm’s Tingsrätt, T 13838-08, Page 7.
8 Insurance for freight forwarders

8.1 Introduction

According to Panasonic’s appeal to the Court of Appeal, freight forwarders should be seen as having an extensive liability for trademark infringement. Furthermore, freight forwarders have the possibility to regulate the regress through contract towards their customer in situations when there is a trademark infringement. In fact, the liability insurance for freight forwarding service should cover these situations, according to Panasonic’s appeal.¹⁹⁵ This chapter will examine insurance for transport by sea, liability insurance and legal cost insurance in order to see if Panasonic’s claims can be legally justified.

8.2 Insurance for Sea Transportation

Insurance companies’ in Sweden are governed by the mostly mandatory Insurance Enterprise Act (Försäkringsrörelselagen),¹⁹⁶ while the relation to the insured is governed by the generally non-mandatory Insurance Contract Act (Försäkringsavtalslagen).¹⁹⁷ However, the Insurance Enterprise Act do no longer contains any sections which specifically insurance for sea transportation.¹⁹⁸ Furthermore, there is nothing specifically stated in Swedish law whether freight forwarders have any responsibility to provide insurance for sea transportation, apart from some situations when the ship contain dangerous goods, for example a large amount of oil.¹⁹⁹ However, according to 9 Chapter § 1 in the Swedish Maritime Code, the ship-owner, or any other person that the ship-owner is responsible for, has the right to limit their liability through liability insurance.²⁰⁰

The FIATA Model Rules defined freight forwarding services as a service which includes “procuring insurance of the Goods”, which means that it is recommended for the freight forwarder to procure insurance.²⁰¹ However, it is stated in NSAB 2000, that “[u]nless oth-

¹⁹⁵ ‘Panasonic’s komplettering av överklagandet’ (Panasonic’s complementary to their appeal) Page 19.
¹⁹⁶ Försäkringsrörelselagen (1982:731).
¹⁹⁸ Taberg, and Schelin, Taberg & Schelin On Maritime & Transport Law, Page 166.
¹⁹⁹ 10 Chapter, 12-15 §§, Sjölagen.
²⁰⁰ 9 Chapter, 1 §, Sjölagen.
²⁰¹ Art. 2(1), FIATA Model Rules.
erwise instructed in writing by the customer\textsuperscript{202}, the freight forwarders shall write insurance in their own name and for account of the customer.\textsuperscript{203} Thereby, FIATA Model Rules and NSAB 2000 recommend the freight forwarder to procure insurance for the goods in their care, but the freight forwarder is not obliged to write insurance.

8.3 Liability insurance and legal cost insurance

When freight forwarders are entrusted with someone else’s goods, they become legally responsible for taking all the necessary steps to protect and preserve that consignment. Thus, the freight forwarder becomes liable to the owner of the consignment for any subsequent damage or loss, which some exceptions, for example when the damage or delay is caused by fault or neglect of the customer.\textsuperscript{204} Nevertheless, freight forwarders are legally entitled to limit their responsibility for the goods, provided that these trading conditions have been agreed in advance.\textsuperscript{205} However, the question is whether freight forwarders can limit their liability for trademark infringement by expressly declares so in their liability insurance, in order to prevent legal disputes such as the one between Panasonic and Tavatur.\textsuperscript{206}

The basic protection of liability insurance usually does not have any function for trademark infringements, when it comes to the liability to pay damages. Swedish factory insurance, as well as overseas, do not include trademark infringements in their liability insurance. According to Ullman, not a single insurance possibility within factory insurance has so far covered situations where there has been a trademark infringement. Nevertheless, there are some agreements for exclusive customers, which provide special solutions to these situations. This does not however appear to exist in any insurance terms of standard character which covers trademark infringement on the international insurance market.\textsuperscript{207}

However, the possibilities for the freight forwarder to write insurance which covers the legal cost of disputes with right-holders, appears to be easier. Therefore, it must be recom-

\textsuperscript{202} Art. 27(C)(3), NSAB 2000.
\textsuperscript{203} Art. 27(C)(3), NSAB 2000.
\textsuperscript{204} § 16.a), NSAB 2000, and 'Business Link' \textit{Transport insurance} (The importance of insuring for freight forwarders).
\textsuperscript{205} 'Business Link' \textit{Transport insurance} (The importance of insuring for freight forwarders).
\textsuperscript{206} In the case: Panasonic v. Tavatur [2010] Stockholm’s Tingsrätt, T 13838-08.
\textsuperscript{207} Ullman, Försäkring och ansvarsfördelning Page 197.
mended for freight forwarding companies to write legal cost insurance which cover situations when right-holders bring a dispute regarding the liability for trademark infringement, to the court. This is especially true for smaller freight forwarding companies and the customers who are dependent on its service, who should make sure that the freight forwarder has legal cost insurance, especially when it handle trade with big international brands such as Nokia and Panasonic.\textsuperscript{208}

In conclusion, it is uncertain whether Panasonic’s claim that the liability insurance for freight forwarding service should, or even can, cover situations when the goods turn out to infringe an IP right,\textsuperscript{209} since Swedish factory insurance does not even include trademark infringements in their liability insurance.\textsuperscript{210}

\textsuperscript{208} Ullman, Försäkring och ansvarsfördelning Page 197.

\textsuperscript{209} ‘Panasonic’s komplettering av överklagandet’ (Panasonic’s complementary to their appeal) Page 19.

\textsuperscript{210} Ullman, Försäkring och ansvarsfördelning Page 197.
9 Customs’ actions to prevent trademark infringements

9.1 Introduction

The European Council Regulation (EC) No 1383/2003 sets out the conditions for actions by the Customs’ authorities when goods are suspected of infringing an IP right. The conditions in the (EC) No 1383/2003 are applicable when goods, which are suspected of trademark infringement, are entered for free circulation, export or re-export, or when they are found during checks on goods entering or leaving the Community customs territory. Furthermore, this regulation sets out which measures shall be taken by the competent authorities when the goods are found to be either counterfeit or pirated.211 This chapter will therefore examine the customs’ duties to prevent trademark infringement within the EU, and whether these actions could be improved by improved legislation.

9.2 Goods found to infringe an intellectual property right

When goods are suspected to be counterfeit or pirated, the customs office shall immediately inform the competent customs department which will process the application. The competent customs department or customs office shall then inform the right-holder or holder of the goods.212 In order to determine whether an IP right has been infringed under national law, the customs have a duty to inform the right-holder, at the right-holder’s request if it is known, the names and addresses of the Consignee or the Consignors. Furthermore, the right-holder or the holder of the goods, and the origin and provenance of goods suspected of infringing an IP right, must also be informed by customs.213 By the end of this procedure, the goods which have been found to infringe an IP right shall not be allowed to enter into the Community customs territory. Consequently, the goods shall not after this procedure be released for free circulation in the EU.214

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212 Art. 9(1) and 9(2). (EC) No 1383/2003.
9.3 The European Commission Report 2009

According to the 'European Commission Report of EU customs enforcement of IP 2009', the number of goods suspected of infringing IP rights, detained altered from 118 million articles in 2009, compared to 178 million articles recorded in 2008.\textsuperscript{215} The Swedish Customs authority detained almost 420 000 goods in 2009, which was worth about 42 million Swedish kronor. In 2008, the amount of goods approximated 500 000 articles, which was worth about 50 million Swedish kronor.\textsuperscript{216} This decrease in Sweden and the rest of Europe could be explained by the global economic downturn in 2009 which has affected international trade significantly. However in spite of the global economic downturn, the number of customs' interventions still remained at a relatively high level, in comparison to the last ten years.\textsuperscript{217}

In almost 82 percent of the detentions by customs, the goods were either destroyed under the simplified procedure or a court was initiated to determine the infringement. In 12 percent of the cases, goods were released because they were either non-infringing original goods, or no action was undertaken by the right-holder after receiving the notification by the customs authorities.\textsuperscript{218}

According to the European Commission Report, infringers will in many cases try to hide the real country of origin and therefore only the country from where the goods were sent to the EU will be known for certain. Nevertheless, according to the European Commissions' statistics, China continued to be the main source of goods suspected of infringing an IP rights sent to the EU in 2009 making up 64 percent of the total amount of detained goods.\textsuperscript{219}

In 85 percent of all customs procedures in 2009, customs action was started whilst the goods concerned, were under an import procedure. In 9 percent of the cases, goods were

\textsuperscript{215} 'European Commission’ Report on EU Customs Enforcement of Intellectual Property Rights, Page 2.
\textsuperscript{216} Tullverket Pressmeddelande - Minskad handel med piratkopior.
\textsuperscript{218} 'European Commission’ Report on EU Customs Enforcement of Intellectual Property Rights, Page 11.
discovered whilst being in transit within the EU, and 3.5 percent in transit with a destination outside of the EU.\textsuperscript{220}

9.4 Customs’ actions to prevent trademark infringement

In order to make (EC) No 1383/2003 easier to apply for both customs and right-holders, it is recommended by the regulation, which provisions should be made for the national customs to allow, for a more flexible procedure. Thereby, counterfeit and pirated goods should be allowed to be destroyed. Furthermore, it is recommended that this should be done without any obligation under national law to initiate proceedings to establish whether an IP right has been infringed under EC Law.\textsuperscript{221} With this in mind, it is easier to understand the simplified procedure in Article 11, which states that:

“Where customs authorities have detained or suspended the release of goods which are suspected of infringing an intellectual property right in one of the situations covered by Article 1(1), the Member States may provide, in accordance with their national legislation, for a simplified procedure, to be used with the right-holder’s agreement, which enables customs authorities to have such goods abandoned for destruction under customs control, without there being any need to determine whether an intellectual property right has been infringed under national law.”\textsuperscript{222}

In principle all goods that enter or leave the EU are subject to examinations. However customs can only examine a small percentile of all goods, therefore customs relies on the use of risk management methods. Unfortunately, the effectiveness of these methods for detecting suspected IP rights infringing goods is difficult to measure.\textsuperscript{223} One indication on the effectiveness of the selections made by customs can be taken from the amount of cases that were released because they appeared to cover non-infringing original goods. In 2009, the amount of cases were customs released the goods because they did not infringe an IP right, measured 5 percent. However, that figure only tells us about the detentions made by customs

\textsuperscript{220} European Commission’ Report on EU Customs Enforcement of Intellectual Property Rights, Page 18.

\textsuperscript{221} (9) Introduction. (EC) No 1384/2003.

\textsuperscript{222} Art. 11(1), (EC) No 1383/2003.

\textsuperscript{223} European Commission’ Report on EU Customs Enforcement of Intellectual Property Rights, Page 11.
concerning goods suspected of infringing an IP right; it does not give an indication on the total amount of controls carried out in relation to the detentions. 224

In 2009, the customs administration registered the outcome of all the detentions by customs for the first time. The following results were registered:

- goods which were destroyed under the simplified procedure after confirmation of the right-holder concerning the infringement and agreement of the holder of the goods;
- a court case was initiated by the right-holder to determine the infringement;
- goods were released since they appeared to be non-infringing original goods;
- the outcome is pending since the goods are still under the period of detention;
- goods were released because the right-holder never reacted to the notification by customs;
- a settlement was reached between right-holder and holder of the goods after the goods were released;
- data on the result is not available. 225

According to this registered outcome of detentions, some goods were released because the right-holder did not react to the notification by customs. 226 However, it is not known how great this amount of situations are, and it is therefore impossible to draw any conclusions into what extend it is in the interest of right-holders to find someone to blame for trademark infringement. Nonetheless, the number of unknown cases where the right-holder simply does not care about a legal procedure, can probably be estimated to be large, due to the vast amount of production in developing countries, especially in China. 227

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10 Analysis

10.1 Introduction

This thesis has investigated freight forwarders’ liability for goods in their care, when they turn out to infringe an IP right. It is clear that legislative development within multimodal transport has failed to keep pace with the speed of technical developments. This chapter will therefore analyse the author’s personal thoughts about the Panasonic v. Tavatur case and what the ruling in the Court of Appeal in Stockholm might lead to on a global perspective. Thereafter, the four alternative solutions of how freight forwarders’ liability for goods in their care easier could be regulated, will be considered by investigating *de lege ferenda*.

10.2 Panasonic v. Tavatur, T 13838-08

In the Panasonic v. Tavatur case, Tavatur did not come into the picture or become aware of its role in the transportation of the pirated batteries until the goods already had been shipped from China. Despite this, Panasonic claimed Tavatur should be considered to have liability for these goods, even though Tavatur was never in any contact with the producer of the batteries.\(^\text{228}\) But how can it be the responsibility of the freight forwarder to guarantee that goods in their care never infringe an IP right, even when it has no contractual relationship to the producer?

Firstly, Tavatur followed all the duties for freight forwarders, in how they are suppose to handle goods, according to the principles within multimodal transport.\(^\text{229}\) Secondly, containers are often tamped-proofed; it can therefore be illegal for freight forwarders to open containers, unless the owner of the goods has approved it beforehand. Tavatur was therefore never able to investigate the goods.\(^\text{230}\) How can the freight forwarder be expected to examine goods which ultimately may or may not infringe an IP right? Even if it was a legal responsibility for freight forwarders to examine the goods before they take them into their care, it would probably not be practically and commercially possible for them to have experts within all IP rights on hand within each geographical location every time the freight


forwarder had to examine the goods. Maybe larger freight forwarding companies would be able to recruit experts within different IP rights, but it probably would not be possible for the smaller freight forwarding companies. It would simply not be cost efficient and it is hard to see how any freight forwarder would accept such hard conditions.

Finally, Tavatur has never protested against the batteries being destroyed. In fact, Tavatur has no use for the batteries and has never opposed them being destroyed. Because Tavatur never used the batteries or intended to use them, there was never the risk of a release of the batteries on the free market, according to the District Court. Tavatur cannot be considered as having any liability for these pirated goods, nor has it participated in any trademark infringement. Instead, Tavatur has co-operated as far as possible with Panasonic when the warning-letter was received. Consequently, it is hard to see what Tavatur could have done more in order to fulfil its duties as a freight forwarder.

If Panasonic were to win its claims in the Court of Appeal and freight forwarders in Sweden were to be considered as liable for goods which infringe an IP right, the practice within multimodal transport would probably have to change radically. Possibly, this could lead to freight forwarders simply avoiding taking care of goods of a worldwide famous brand, such as Panasonic and Nokia. This scenario would probably not be desirable for the larger international companies such as these.

One of the reasons why Panasonic sued Tavatur was because there was no one else to sue, since all the other parties have mysteriously disappeared. Maybe the Court of Appeal should take this into consideration when they decide whether Tavatur is liable or not for these pirated goods. It cannot be reasonable that freight forwarders become liable for trademark infringement, solely because they remain the only traceable transport operators in the transportation chain.

Broadly speaking, the Panasonic v. Tavatur case could end in two ways: either Tavatur will be considered as the infringer, or Tavatur has no liability for goods when it infringe an IP right. If Tavatur is considered as the infringer because it, as the freight forwarding company, has a liability for these goods, the principals and legislation within multimodal trans-

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233 ‘Överklagandet’ (the appeal by Panasonic to Stockholm’s Hovrätt) Page 8.
port must change. But, if Tavatur has no liability for these pirated goods, nothing in the multimodal transport market will have to change and the rules within mode of transport will continue to be rather out-of-date. Consequently, both freight forwarders and right-holders are in need of improved regulations, no matter how the Panasonic v. Tavatur case will end.

10.3 De lege ferenda

10.3.1 Introduction

De lege ferenda means that if there is no solution to a specific legal problem, an independent investigation is made into what types of reasonable solutions there might be to the legal problem. In order to find out de lege ferenda, four solutions as to how the freight forwarder’s liability could be regulated have been examined. The four alternative solutions are as follow; an international convention, freedom of contract, insurance law, or improved legislation for customs.

10.3.2 International Convention

All previous efforts to expand mandatory liability applicable under the various international conventions for carriage of goods in multimodal transport have been unsuccessful. Even though minor adaptations of international conventions have been possible overall it has been impossible to reach an international consensus on freight forwarding. One explanation is the multimodal problem between the United States and Europe, namely the network liability system and the uniform liability system. These two different systems make it unclear to the transport operators what rules apply and whether the rules are the same or different between the two legal systems. Regardless of the multimodal problem, appropriate regulations are still needed in order to ensure the delivery of the goods from the seller to the buyer, including all the added services, such as freight forwarding.

The general conditions for freight forwarding services which do exist, such as NSAB 2000, certainly contribute to consistency and simplicity. Unfortunately, these agreed documents do not extend beyond the countries or regions in which such general conditions are used.

234 Lehrberg, Praktisk juridisk metod, Page 161-163.

235 Ulfbeck, Multimodal Transports in the United States and Europe—Global or Regional Liability Rules?

International trade therefore has to suffer from the different approaches and levels of liability following from different general conditions. An international convention would provide consistency between regions where different general conditions are frequently used. Nevertheless, freight forwarders and their customers, should still be able to agree upon general conditions in limited regions, such as NSAB 2000 between the Scandinavian countries. It would probably be more appropriate if transport operators could agree to follow specific conditions designed for limited regions, when it is possible, instead of a new international convention. Consequently, an international convention should allow freedom of contract and therefore not be entirely mandatory.

But how would an international convention for freight forwarders and other transport operators in multimodal transport look like, in order to win international consensus? At the moment, trademark infringement is separately regulated from the rules for mode of transport. Consequently, it might be difficult to combine in the same convention the rules for IP rights with those for mode of transport and make them mandatory.

In Ramberg’s suggestion of an international convention about carriage for goods by sea, road, rail and air, including the freight forwarding services, he leaves out any suggestions of how trademark infringement should be regulated. Overall, the problem with trademark infringement does not appear to have been criticised within legal literature in Europe any more than in the cases where the right-holder has brought it up to court. It is hard to find any reasonable explanation for this. Possibly the reason could be that it is not in the interest of freight forwarders to keep pirated or counterfeit goods in their possession, nor is it in the interest of infringers to claim that the “fake” goods are in fact theirs. According to the European Commission’ registered outcome of detentions made in 2009, some goods which were not destroyed under the simplified procedure were released because the right-holder did not react to the notification by customs. However, it is not known how great this amount of situations are when goods are being released because the right-holder did

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239 In 5.10.2.


not react to the notifications by customs, and it is therefore impossible to draw any conclusions into what extend it is in the interest of right-holders to find someone to blame for trademark infringement. Nonetheless, the number of unknown cases where the right-holder simply does not care about a legal procedure, or when the freight forwarder destroys the goods after the right-holder demanded it to do so, can probably be estimated to be large, due to the vast amount of production in developing countries.²⁴³

In conclusion, in order to improve the legislation for freight forwarders both in Sweden and overseas, an international convention is needed. Ramberg’s suggestion of such a convention is generally good,²⁴⁴ but it should not leave out situations where there has been a trademark infringement. Since freight forwarders often get involved in disputes between right-holders concerning their trademark, this must be evaluated and not separately regulated from mode of transport. Unfortunately, all previous attempts to establish an international convention for transport operators in multimodal transport have failed and it is therefore questionable whether the creation of an international convention, which also involves IP rights, is actually possible in a near future.²⁴⁵

10.3.3 Contract Law

Another solution to solving freight forwarders’ liability for goods in their care could be through the use of contracts. The suggestion from Ramberg, to establish an entirely new regime based upon the contract of transport is probably necessary, in order to avoid restrictions from mandatory law. Through contracts, freight forwarders and their customers can agree upon all the special risks and liability for the goods in advance.²⁴⁶ When goods for example, are being transported from a smaller factory in China which is not well-known, it could be wise to consider the possibility that the goods might not have been produced legally. Consequently, when the freight forwarder and the owner of the goods suspect there is a risk for trademark infringement, they could establish through contract that the goods should be inspected before the transportation begins. Through contracts, freight forwarders and their customers can hold certain people or companies liable for a potential trademark infringement.


²⁴⁴ In 5.10.2.


However, the problem with an *entirely new regime* based upon the contract of transport is the disputes which might occur when nothing has been agreed upon beforehand. Undoubtedly, there will be situations when the freight forwarders and their customers never considered the possibility that the goods might infringe an IP right. There is no such thing as a perfect contract, which covers all potential situations which might occur. Instead, a contractual approach relies upon agreed documents, such as NSAB 2000 for example, and international conventions, which cover those situations that have not been considered in the contract.\textsuperscript{247}

In conclusion, this potential solution, to solve freight forwarders’ liability for goods in their care, through a contractual approach, is directly dependent upon the establishment of an international convention for freight forwarders. With an international convention, there is only a basic protection for the freight forwarders and their customers, if circumstances occur which have not been covered in the contract beforehand. Nevertheless, an *entirely new regime* based upon the contract of transport is needed in order to abstain from traditional restrictions by specific mandatory laws caused by the *network liability system*.\textsuperscript{248}

### 10.3.4 Liability insurance

Another potential solution to freight forwarders’ liability for goods in their care is through liability insurance. However, it appears to be uncertain whether liability insurance for freight forwarding services can cover situations where there has been a trademark infringement, essentially when it is not even clear whether they have any responsibility for these situations.\textsuperscript{249} Undoubtedly, it would be a convenient solution to freight forwarders’ liability for goods in their care, if it could be solved simply by limiting their liability for trademark infringements through liability insurance. However, this solution is not possible, since liability insurance cannot cover all potential parties who have nothing to do with the multimodal transport, such as an outsider infringer in China for example.\textsuperscript{250}

Instead, the liability insurance for freight forwarders is a contract between two or several, specific parties. To include any potential person who might infringe the trademark in the


\textsuperscript{249} Ullman, *Försäkring och ansvarsfordelnings* Page 197.

\textsuperscript{250} Ullman, *Försäkring och ansvarsfordelnings* Page 197.
liability insurance would not be legally possible. Furthermore, freight forwarders cannot limit their liability for trademark infringement if the freight forwarder actually turns out to be the infringer. Consequently, preventing liability through liability insurances does not appear to be possible at the moment.  

However, since disputes between freight forwarders and right-holders are not uncommon, it would be wise for both freight forwarding companies and the customers who pay for their service, to have legal cost insurance. Legal disputes with big companies, such as Panasonic and Nokia, can directly lead to bankruptcy for smaller freight forwarding companies, and thereby affect all the customers who are dependent on the freight forwarder’s service. Freight forwarders which are not insured for legal disputes cost with right-holders should therefore maybe reconsider this decision.

10.3.5 Improved legislation for customs

The fourth and final reasonable solution to establish *de lege ferenda* for freight forwarders’ liability for trademark infringement is whether the EU Customs actions can be improved through more effective legislation. Even though all goods that enter or leave the EU are subject to examinations, only a small part of the goods can be examined by customs.

Customs authorities have expert knowledge in preventing import and export of goods which infringe an IP right. Yet, following some correspondence that the author has had with freight forwarders, it appears that many of them never receive much information about the goods they administrate transportation for. Instead, the information is often limited to what is needed in order to administrate the transportation of the goods, such as weight, quantity and in some cases the quality of the goods. It is therefore not surprising that many lawyers and freight forwarders think that it is the responsibility of the customs to prevent trademark infringement in the EU, since they have the resources and knowledge to prevent it.

Henceforth, in order to improve Customs authorities’ actions to prevent trademark infringements the Customs authorities should not be restricted from national implementa-

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251 See section 8.3.

252 Ullman, *Försäkring och ansvarsfördelning* Page 197.

tions of the (EC) No 1383/2003. The thesis has not further examined in detail what Customs authorities in Europe can improve in order to prevent trademark infringement. Nevertheless, it is clear that European Member States which have implemented the simplified procedure have made it easier for Customs to fulfil its purpose. With this in mind, perhaps Sweden should reconsider its decision not to implement the simplified procedure. Disputes between freight forwarders and right-holders where either one can authorise the destruction of the counterfeit or pirated goods, would surely not occur if the simplified procedure had been implemented.
11 Conclusion

It is today unclear what liability freight forwarders have for trademark infringement in forwarded goods. Even though, the amount of counterfeit and pirated goods has increased NSAB has not specifically regulated what liability freight forwarders have in these situations. Possibly, freight forwarders liability for trademark infringement can be dealt with by different sidesteps from the Articles, such as when the information about the goods is incorrect, because the goods are “fake”, or the goods have such harmful properties as it could not have been reasonably foreseen, because the goods has been illegally produced. In these situations, freight forwarders have no liability, according to NSAB 2000. When goods are shipped in containers, freight forwarders cannot be considered to have any liability for trademark infringements since containers are tamper-proof, and it would be illegal to open the containers in order to examine the goods without poor consent. Freight forwarders’ liability for trademark infringement have however been criticised by German case law where liability only occurs when there are sufficient indications of trademark infringement. However, in Swedish case law it is still unclear what, if any, liability freight forwarders have for trademark infringement.

Both freight forwarders and right-holders are in need of improved regulations and until it has been established whether freight forwarders have any liability or not for trademark infringements. An international convention for freight forwarders, including what liability they have for trademark infringement, is required. However, the international convention should not be mandatory. Freight forwarders should have the freedom to establish their own contract. But if freight forwarders should be able to establish their own contract, they cannot be restricted to do so by national mandatory legislations, as they often are today. Therefore, an entirely new regime based upon the contract of transport is required, but with the international convention as protection when the contract is insufficient. Furthermore, freight forwarders and those who are dependent on their service, should have legal cost insurance, since disputes with right-holders is not unusual. Finally, ECJ should recommend Member States to implement the simplified procedure, and thereby prevent legal disputes such as the one between Panasonic and Tavatur, which probably would never have existed, had Tavatur been able to destroy the goods when the warning-letter was received.
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