



# Parallel Imports

Parallel imports, also called “grey market” are an unauthorized import into a country, in which patented or branded products are sold without the consent of the owner of the trademark.



The parallel part of the import involves a patented, copyrighted or trademarked product brought into a country at a lower price by a distributor, broker or vendor where the product is already marketed. Therefore parallel imports are often mixed up in international trade and intellectual property issues.



Parallel imports are frequently used to decrease the price of a product in the market and for the creation of a more competitive panorama. Therefore these trades generally involve high-priced branded goods like printed texts, music, pharmaceuticals, software and electronic products.



These strategies usually take place when there is **pricing discrepancy of the same product** in different markets (usually due to local manufacturing costs or sell conditions). This forces authorized firms to do a better job serving local customers and offering greater customer service satisfaction.



However, **it can also affect the negotiation of tiered pricing regimes**, for example: If a private electronic company agrees to put up for sale a product at a minor price in poor countries, it will need some **guarantee that the cheaper product will not be imported back into its rich country markets**, undercutting its income.

**Some of the reasons for parallel imports are:**



Different types of a product are created for sale in diverse markets.



Companies, either the manufacturer or the distributor, set different price points for their products in different markets. Parallel importers ordinarily purchase products in one country at a cheaper price in one country, import them into another country and sell the products there at a price between the two countries.



There are consumers capable to obtain more competitively priced items, and avoid local sales taxes placed on an even footing with consumers who have less access to abroad sales online.

Some advocacy groups support parallel importing on the grounds of enhancing the free flow of information.



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However, **every country has its own policy for this type of imports**. For example, in the case of **Mexico**, there is an agreement between the Customs and the Mexican Institute of Intellectual Property (IMPI): **Customs are obligated to check the products in MARCANET system, verify the patentees licenses and if the items are authorized to be moved from one country to another in order to prevent smuggling.**

MARCANET is an outpatient unit on Trademark Information via the Internet, which the IMPI made available to the general public. **This system allows you to query information brands, trade names and registered and pending notices.**

### The information can be found is:

- File number or registration IMPI
- Logo or design (if available)
- Owner and attorney
- Filing date, duration, etcetera
- Information about the ultimate resolution of IMPI

If you are planning to **ship well known brands internationally**, we strongly suggest that you **provide a list of the gifts and promotional items to your customs broker** and ask him if he finds any possible issue at customs and if the items are authorized to be moved from one country to the country where the event is going to be held.



**Contact us for more useful information at:**

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