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# PARALLEL IMPORTS IN THE AGE OF GLOBAL E-COMMERCE: REASSESSING IPR EXHAUSTION IN CROSS-BORDER DIGITAL MARKETPLACES

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## ABSTRACT

Intellectual Property Rights (IPR) exhaustion determines when a holder of an IP loses control over goods after their initial license and dictates how parallel import rules are formulated. But as the volume of cross-border e-commerce and e-marketplaces increases rapidly, the old principles of parallel trade are being questioned. In this paper, the concept of exhaustion is explored in the age of universal digital markets, where goods can be resold in real time by third parties through companies specialising in algorithmic and smart logistics. It compares the European Union, India, and the United States regarding the interaction between various exhaustion laws, platform rules, and the liability of online intermediaries. Analysis shows that conventional forms of territoriality in the context of exhaustion are not always able to meet the demands of modern platform-based trade, leading to new challenges such as fragmented markets and regulatory loopholes. Digital marketplaces of parallel imports may positively impact consumers on the one hand by reducing prices and increasing options. Conversely, they could interfere with the existing business models, prices and brand management. The paper concludes by suggesting that IPR exhaustion needs to be reconsidered in light of the strength of online platforms and the realities of digital markets, to strike a balance between what is optimal for consumers and innovation, and fair competition in global e-commerce.

**Keywords:** Intellectual Property Exhaustion, Parallel Imports, Digital Marketplaces, Trademark Exhaustion

## Introduction

Parallel imports are a controversial but fundamental element of intellectual property rights (IPR) law, lying between the exclusive control of a right holder and the right to free movement of goods. The doctrine of exhaustion is the main factor that determines their legality, as it restricts the right of an intellectual property owner to control the resale, distribution, or importation of goods that are already lawfully put into the market with the owner's consent<sup>1</sup>. Exhaustion is therefore a structural limitation of extending the right over the same tangible goods indefinitely<sup>2</sup>.

The “doctrine of exhaustion” evolved at a time when markets were territorially confined, goods were distributed physically, and authorised sellers were easily definable. In this context, courts had a relative level of certainty about the location of the first sale, the presence of consent and the governing legal regime<sup>3</sup>. In this context, “parallel imports” were mostly associated with historic cross-border trade and governed by the principles of territoriality and consent<sup>4</sup>.

The advent of international e-business arrangements has disturbed these assumptions. Digital markets, including Amazon, eBay, Alibaba and Flipkart, enable the sale of goods on a mass scale across borders, and they frequently do not use authorised distribution channels<sup>5</sup>. This has made it more complicated to determine whether a sale was authorised, where it occurred, and what the jurisdictional exhaustion regime is. The complications are compounded by different national strategies: the European Union pursues the established regional exhaustion, India has identified international exhaustion in a range of situations, and the United States pursues a regime-specific approach<sup>6</sup>.

Despite the growing prevalence of “parallel imports” based on digital platforms, a significant portion of the existing scholarly literature researching exhaustion does so through the prism of

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<sup>1</sup> Frederick M. Abbott, *Parallel Importation: Economic and Social Welfare Dimensions* 4–6 (Int'l Ctr. for Trade & Sustainable Dev. 2007).

<sup>2</sup> Irene Calboli, Intellectual Property Exhaustion and Parallel Imports of Pharmaceuticals: A Comparative and Critical Review, in *Access to Medicines and Vaccines* 31, 34–36 (Thomas Pogge et al. eds., 2021).

<sup>3</sup> Shubha Ghosh, *The Implementation of Exhaustion Policies: Lessons from National Experiences* 3–6 (ICTSD Issue Paper No. 40, 2013).

<sup>4</sup> Tommaso M. Valletti & Stefan Szymanski, *Parallel Trade, International Exhaustion and Intellectual Property Rights*, 54 J. INDUS. ECON. 499, 501–03 (2006).

<sup>5</sup> Tijil Mishra, *The Impact of Parallel Importation and Counterfeit Products on Intellectual Property Rights in E-Commerce*, 8 INT'L J.L. MGMT. & HUMAN. 3483, 3487–90 (2025).

<sup>6</sup> Muhammed Yakup Altun, *Exhaustion of Intellectual Property Rights: A Comparative Analysis of Trademarks, Copyrights, and Patents in the US, China, EU, and India* (Research Paper, University of the Pacific, McGeorge School of Law)

economic factors, including price discrimination and consumer welfare<sup>7</sup>. No long-term analysis exists of how legal doctrines grounded in consent, territoriality, and statutory interpretation ought to respond to platform-based global trade. To fill that gap, this paper presents a comparative legal study of exhaustion regimes in the EU, India, and the United States, and evaluates their suitability in controlling parallel imports in the online market.

## Review of Literature

### A. Conceptual Basis of the Doctrine of Exhaustion and Parallel Imports.

The doctrine of exhaustion in intellectual property law has long served as a doctrinal tool, balancing exclusive property rights with the ideals of free trade and market circulation. The conceptualisation of exhaustion in classical legal scholarship is a restriction on the post-sale control of intellectual property owners, which is triggered by the first sale or placing on the market of a protected product<sup>8</sup>. This principle applies to all major categories of intellectual property—copyright, patent and trademarks—although its definition and legal effects vary across different jurisdictions and regimes<sup>9</sup>.

Some scholars have pointed out that the “exhaustion doctrine” is not a natural extension of intellectual property, but a policy decision that reflects the compromise between incentivising innovation and allowing perpetual control of the market<sup>10</sup>. Abbott shares that exhaustion is a key factor in preventing intellectual property from becoming a tool of territorial market segmentation, especially in international trade<sup>11</sup>. Valletti and Szymanski further note that exhaustion is a key factor that enables or prevents intellectual property from becoming an instrument of territorial market segmentation, especially in international trade<sup>12</sup>.

Although much of this background literature is concerned with the economic justification of exhaustion, it also provides the groundwork of seeing exhaustion as a legal limitation of

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<sup>7</sup> Kamal Saggi, *Market Power in the Global Economy*, 123 *ECON. J.* 131, 134–38 (2013).

<sup>8</sup> Frederick M. Abbott, *Parallel Importation: Economic and Social Welfare Dimensions 4–7* (Int’l Ctr. for Trade & Sustainable Dev. 2007)

<sup>9</sup> Shubha Ghosh, *The Implementation of Exhaustion Policies: Lessons from National Experiences 3–6* (Int’l Ctr. for Trade & Sustainable Dev., Issue Paper No. 40, 2013).

<sup>10</sup> Irene Calboli, *Intellectual Property Exhaustion and Parallel Imports of Pharmaceuticals: A Comparative and Critical Review*, in *Access to Medicines and Vaccines* 31, 34–36 (Thomas Pogge et al. eds., 2021).

<sup>11</sup> *supra* note 1, at 6–10.

<sup>12</sup> Tommaso M. Valletti & Stefan Szymanski, *Parallel Trade, International Exhaustion and Intellectual Property Rights*, 54 *J. INDUS. ECON.* 499, 501–04 (2006).

proprietary control, a stance that is critical to legal discussions in the modern era.

### **B. International Legal Framework**

Most scholars have written about Article 6 of the TRIPS Agreement, which intentionally leaves the issue of exhaustion to the discretion of the states, but protects it from WTO dispute settlement<sup>13</sup>. Scholars have generally concluded that this provision is a result of a negotiated compromise between those states that prefer market integration and those that want to maintain regulatory autonomy in the domestic market<sup>14</sup>.

The comparative analysis presented by Ghosh reveals that this flexibility has led to a variety of exhaustion regimes- national, regional and international, across jurisdictions, despite being in similarly placed economies, and this is largely because of industry pressure<sup>15</sup>. Calboli's comparative work also shows that many developing countries are underutilising TRIPS flexibilities by adopting restrictive exhaustion policies rather than as a doctrinal dictum<sup>16</sup>.

However, much of the literature is descriptive and comparative, discussing state practice but not questioning how exhaustion might interact with more recent trade practices, including e-commerce and digital distribution.

### **C. Exhaustion Principle Among IPRs**

Legal scholars have long emphasised that exhaustion is inconsistently applied across different types of intellectual property. Exhaustion in copyright law is traditionally associated with the distribution right, as seen in arguments relating to international exhaustion and the importation of copyrighted works<sup>17</sup>. In Indian copyright law, Mittal shows that there is doctrinal ambiguity regarding international exhaustion, especially in this area<sup>18</sup>.

Trademark, on the other hand, dwells upon the conflict between exhaustion and the role of the trademark as a sign of source and quality. According to Indian and comparative scholars,

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<sup>13</sup> Agreement on Trade-Related Aspects of Intellectual Property Rights art. 6, Apr. 15, 1994, 1869 U.N.T.S. 299.

<sup>14</sup> Carlos M. Correa, *Trade Related Aspects of Intellectual Property Rights: A Commentary on the TRIPS Agreement* 115–17 (Oxford Univ. Press 2007).

<sup>15</sup> *supra* note 2, at 19–44.

<sup>16</sup> *supra* note 3, at 52–55.

<sup>17</sup> *Kirtsaeng v. John Wiley & Sons, Inc.*, 568 U.S. 519, 525–28 (2013).

<sup>18</sup> Raman Mittal, *Whether Indian Law Allows Parallel Imports of Copyrighted Works*, 55 J. INDIAN L. INST. 504, 510–18 (2013).

parallel imports of genuine goods are generally accepted by the courts; at the same time, consumer confusion and quality control issues are used to justify restrictions<sup>19</sup>. In reality, exhaustion is officially recognised but substantially weakened.

The literature on patent law, especially in the pharmaceutical industry, has described other regulatory layers, including marketing approvals and price controls, as impeding the realisation of exhaustion<sup>20</sup>. Calboli contends that, although patents can theoretically be exhausted, regulatory regimes may, in practice, constitute de facto obstacles to parallel imports<sup>21</sup>.

Despite this abundant doctrinal work, the current literature is likely to treat each IP regime separately, providing little insight into the overall operation of exhaustion mechanisms in overlapping rights in contemporary commercial systems.

#### **D. Parallel Imports, Market Segmentation, and Legal Control**

One common theme in the literature is that intellectual property rights are used to sustain territorial price discrimination. Scholars like Saggi and Grossman focus on the direct effects of exhaustion policies on a right holder's legal capacity to divide markets into the legal territory of exclusion<sup>22</sup>. Although these publications take an economic approach, they implicitly highlight a legal issue: the conversion of the IP rights into the legal instruments of territorial exclusion.

Abbot argues that allowing right holders to block parallel imports can be contrary to the very general principles of competition law and consumer welfare in a developing economy<sup>23</sup>. Indian scholarship reflects this concern, pointing out that restrictive interpretations of exhaustion are an obstacle to the provision of affordable goods, but are not subject to specific statutory command<sup>24</sup>.

However, most of this literature operates under the assumption of physical goods and the conventional supply chain, and questions remain about the role of legal doctrines of exhaustion

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<sup>19</sup> *Kapil Wadhwa v. Samsung Elecs. Co.*, (2013) 53 P.T.C. 112 (Del.) (India).

<sup>20</sup> *Samsung Elecs. Co. Ltd. v. Kapil Wadhwa*, (2012) 194 D.L.T. 23 (Del.) (India).

<sup>21</sup> *supra* note 1, at 7–10.

<sup>22</sup> *supra* note 3, at 61–64.

<sup>23</sup> Kamal Saggi, *Market Power in the Global Economy*, 123 *ECON. J.* 131, 134–38 (2013).

<sup>24</sup> *supra* note 11, at 519–21.

in dematerialised or platform-mediated markets.

### **E. Exhaustion, Parallel Imports, and the Rise of Digital Marketplaces**

Recent scholarly work is beginning to examine the overlap between exhaustion and digital trade, but this literature remains fragmented. Scholarly studies of e-commerce emphasise that online marketplaces enable “parallel imports” on an unprecedented scale, and in many cases these imports are not subject to the traditional distribution controls governing intellectual property rights<sup>25</sup>. Mishra's analysis of “parallel imports” and counterfeits in e-commerce explains that the architecture of platforms makes it more difficult to enforce intellectual property rights and blurs the boundary between authorised and unauthorised trade<sup>26</sup>.

Much of this new literature, however, is about counterfeiting rather than bona fide parallel imports, thereby leading to a conflation of doctrine. Limited work has been done on applying the principles of exhaustion to platform liability, intermediary liability, and cross-border sales of digital products. Courts and legislators are thus left without a clear guiding doctrine of whether exhaustion doctrines also need to be reinterpreted in the platform economy.

### **F. Gap Analysis**

The current literature provides a solid doctrinal and comparative basis on the study of intellectual property exhaustion and parallel imports. Nonetheless, there are three major gaps.

First, though the issue of exhaustion is widely debated as a policy option, there is a lack of legal-focused analysis concerning the interpretation and application of exhaustion principles to digital and platform-mediated markets.

Second, much of the scholarship considers exhaustion as a phenomenon under limited IP regimes, neglecting the compounding and compounding nature of the enactment of copyright, trademark, and patent rights in contemporary business.

Third, the Indian legal literature has failed to exhaustively address the challenge posed by e-commerce and global digital markets to exhaustion-based jurisprudence, despite abundant

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<sup>25</sup> *supra* note 2, at 44–46.

<sup>26</sup> Tijil Mishra, *The Impact of Parallel Importation and Counterfeit Products on Intellectual Property Rights in E-Commerce*, 8 INT’L J.L. MGMT. & HUMAN. 3483, 3487–90 (2025)

doctrinal analysis.

The paper aims to address these gaps by providing a normative legal treatment of exhaustion and parallel imports, particularly in light of the sufficiency of current legal frameworks for governing cross-border digital trade.

### **Research Questions**

1. How well do today's intellectual property rules actually control the way goods are resold across borders on big online marketplaces?
2. How do the rules in the EU, India, and the US differ when it comes to handling parallel imports on digital platforms?
3. What does the rise of digital parallel imports mean for consumers and for companies trying to protect their brands?
4. Should exhaustion doctrines be recalibrated to address the growing power of online platforms?

### **Research Objectives**

1. To analyze whether the current intellectual property exhaustion principles are effective in controlling the resale of products across borders on online marketplaces.
2. To conduct a comparative study of the legal frameworks that regulate parallel imports in the European Union, India, and the United States, including in reference to digital platforms.
3. To determine the legal consequences of platform-mediated parallel imports on consumer interest and brand owners' trademark and proprietary rights.
4. To determine whether present exhaustion doctrines need doctrinal reinterpretation or the law reforms in response to the growing role of online marketplaces in international trade.

## Methodology

The legal research methodology applied in this research is doctrinal and qualitative, focusing on the interpretation and application of the doctrine of exhaustion in intellectual property law. The study also employs a comparative legal methodology to identify similarities and differences in doctrinal interpretation across jurisdictions. The main legal sources are laws, court cases, and international documents, e.g., the Trade Marks Act, 1999, and the Patents Act, 1970 (India), the European Union's regulations on intellectual property, the statutes of the United States, and the TRIPS Agreement.

Indian, European, and United States judicial precedents are also central elements of the analysis and are discussed to determine how the courts view the use of consent, territoriality, and post-sale control in cases of parallel imports. This methodology facilitates a critical analysis of whether current exhaustion doctrines adequately address the legal issues raised by cross-border trade and digital marketplaces.

## Legal Analysis

### A. Intellectual Property Exhaustion Doctrinal Foundations.

The doctrine of exhaustion is a statutorily recognised and judicially created restriction on the intellectual property rights of the rights holder that limits their capacity to control the further distribution of goods beyond their authorisation or placing them on the market. The existence of intellectual property rights is not negated by exhaustion; it merely demarcates the periphery of exclusivity once the initial sale has been legally made<sup>27</sup>.

The exhaustion principle is based on three interrelated legal concepts- authorised sale, consent of the right holder and territorial scope. An authorised sale also indicates the point at which the owner of intellectual property has voluntarily used their exclusive right of distribution. Whichever is expressed or implied, consent is the juridical antecedent to exhaustion. The issue of whether such consent is limited to a particular jurisdiction or is applicable across borders depends on the principle of territoriality<sup>28</sup>.

Exhaustion takes a deliberately neutral stance in the international intellectual property law.

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<sup>27</sup> Kamal Saggi, Market Power in the Global Economy, 123 *ECON. J.* 131, 134–38 (2013).

<sup>28</sup> Frederick M. Abbott, *Parallel Importation: Economic and Social Welfare Dimensions* 8–10 (2007).

Article 6<sup>29</sup> of the TRIPS Agreement explicitly excludes the concept of exhaustion from the subject matter of dispute settlement, thereby allowing exhaustion to remain a matter of national, regional, or international exhaustion regimes, determined by legislative intent and judicial interpretation rather than international harmonisation.

## **B. Patent Law and Exhaustion of Cross-Border Trade.**

Exhaustion serves as a protection against post-sale restraints in patent law, which would otherwise enable patentees to impose indefinite limitations on the use and resale of patented products. Conventionally, most jurisdictions were guided by the principle of national exhaustion, which enabled patentees to limit imports of patented products marketed abroad. This role, however, has changed a lot.

The case of *Impression Products, Inc. v. Lexmark International, Inc.*<sup>30</sup> in the United States was the first clear indication of a move to international exhaustion as the Court ruled that authorised sale, either within or outside the United States, exhausts US patent rights, and that the patent law did not permit restrictions of alienation after the patentee has decided to sell the item<sup>31</sup>. This argument has a solid basis in the common law antagonism to post-sale restrictions and is an expression of doctrine-driven assurance in exhaustion as a constraint on patent exclusivity.

Indian patent law follows a somewhat liberal approach through Section 107A(b)<sup>32</sup> of the Patents Act, 1970, which specifically authorises parallel imports by a person so long as that person is duly authorised under the law to produce and supply the product<sup>33</sup>. The legislative formulation puts the emphasis on consent and lawfulness to the global exhaustion, as opposed to geographic territoriality<sup>34</sup>.

In comparison, the “principle of regional exhaustion” limits the patent exhaustion regime of the European Union. Although patent protection is national in the EU, the CJEU has repeatedly held that exhaustion can occur only once the goods have been marketed within the EEA by or with the consent of the right holder<sup>35</sup>. Goods not marketed within the EEA do not exhaust the

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<sup>29</sup> Agreement on Trade-Related Aspects of Intellectual Property Rights art. 6, Apr. 15, 1994, 1869 U.N.T.S. 299.

<sup>30</sup> *Impression Prods., Inc. v. Lexmark Int'l, Inc.*, 581 U.S. 152 (2017).

<sup>31</sup> *Id.*

<sup>32</sup> Patents Act, 1970, § 107A(b) (India).

<sup>33</sup> *Id.*

<sup>34</sup> *Id.*

<sup>35</sup> Case C-187/80, *Merck & Co. v. Stephar BV*, 1981 E.C.R. 2063

EU patent rights, even when lawfully marketed. This stance is based on the EU's belief in internal market integration rather than the rejection of exhaustion per se.

### **C. Trademark Law, Parallel Imports and Consumer Protection**

Trademark exhaustion is a separate doctrinal issue, as trademark rights are closely connected with source recognition, quality control, and image perception. The functionality of exhaustion in trademark law is thus limited with its aim being to avoid consumer confusion and maintain the critical role of the mark.

Article 15 of the EU Trade Mark Regulation codifies regional exhaustion and governs it in the European Union. The CJEU has on numerous occasions reiterated that exhaustion can only arise when goods are placed on the EEA market with the express or tacit permission of the trademark holder<sup>36</sup>. In *Silhouette International Schmied GmbH v. Hartlauer Handelsgesellschaft mbH*, the Court categorically denied the existence of international exhaustion by stating that consent to marketing in countries other than the EEA cannot be assumed<sup>37</sup>.

India is comparatively liberal in its enforcement, especially on trademark laws. A form of international exhaustion has been identified through the statutory formulation of Section 30(3)<sup>38</sup> of the Trade Marks Act, 1999, which states that the use of a registered trademark as related to goods that are lawfully obtained does not amount to an infringement of the trademark unless the goods have been materially altered.

The ruling of the Delhi High Court, *Kapil Wadhwa v. Samsung Electronics Co. Ltd*<sup>39</sup>, is the most prominent Indian law in parallel importation and trademark exhaustion. The case involved the importation of certified Samsung printers into India without the authorisation of Samsung's authorised distributor in India. Samsung complained that these imports would dilute its trademark rights and undermine its monitored distribution system<sup>40</sup>. The Court rejected this argument and affirmed that when genuine goods are legally placed on the market by the trademark owner, the trademark rights in such goods are exhausted, but only under the

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<sup>36</sup> Case C-173/98, *Sebago Inc. v. GB-Unic SA*, 1999 E.C.R. I-4103.

<sup>37</sup> Case C-355/96, *Silhouette Int'l Schmied GmbH v. Hartlauer Handelsgesellschaft mbH*, 1998 E.C.R. I-4799.

<sup>38</sup> Trade Marks Act, No. 47 of 1999, § 30(3) (India).

<sup>39</sup> *Kapil Wadhwa v. Samsung Elecs. Co.*, (2013) 53 P.T.C. 112 (Del.) (India)

<sup>40</sup> *Id.*

limitation that the goods have not been altered<sup>41</sup>. The Court specifically accepted that Section 30(3) of the Trade Marks Act enshrines the principle of international exhaustion and that it authorises parallel imports of genuine goods.

Notably, the Court drew a line between trademark infringement and a contractual relationship between manufacturers and distributors, and it is clear that the private distribution contract cannot be invoked under trademark law<sup>42</sup>. This argument supports the doctrinal dichotomy between intellectual property rights and market control in contracts. The Kapil Wadhwa case continues to be of theoretical significance in asserting India's position as a pro-competitive nation and in restricting the application of trademark legislation as a mechanism of market segmentation through territorial means.

#### **D. Copyright Exhaustion and Global Trade**

The first sale doctrine, also known as “copyright exhaustion”, limits the copyright holder's right to control the distribution of legally sold copies. Copyright exhaustion, unlike patents and trademarks, has been especially controversial in the international arena.

The EU copyright law embraces a regional exhaustion regime. The CJEU has consistently held that exhaustion applies only to the initial delivery made in the EEA, and that digital dispatches do not constitute sales that can cause exhaustion<sup>43</sup>. This restrictive interpretation reflects the EU's conservative approach to applying the exhaustion principle in the digital realm.

The decision in *Kirtsaeng v. John Wiley and Sons, Inc.*, by the U.S. Supreme Court, was a landmark case in the debate over exhaustion worldwide<sup>44</sup>. The case involved the importation of low-priced foreign versions of the textbooks that were legally produced and sold in other parts of the world. The author of the copyrighted work presented the argument that the first sale doctrine used in the United States was limited to United States-produced copies.

The Court rejected this territorial interpretation and held that the first sale doctrine applied regardless of the location of manufacture, provided the copies were lawfully created<sup>45</sup>. By establishing the concept of international exhaustion in copyright law, the Court substantially

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<sup>41</sup> *Id.*

<sup>42</sup> *Id.*

<sup>43</sup> Case C-128/11, *UsedSoft GmbH v. Oracle Int'l Corp.*, 2012 E.C.R. I-0000.

<sup>44</sup> *Kirtsaeng v. John Wiley & Sons, Inc.*, 568 U.S. 519 (2013).

<sup>45</sup> *Id.*

limited copyright holders' ability to divide markets through territorial limitations. The Court based its rationale on statutory interpretation, legislative history, and policy concerns, including the negative effects of territorial exhaustion on libraries, consumers, and secondary markets<sup>46</sup>. The ruling has been generally cited in support of the view that exhaustion is a restriction rather than a concession to the copyright holder.

### **Data collection and analysis**

The data on the “doctrine of exhaustion” and “parallel imports” were drawn from statutory provisions, judicial decisions, international treaties, and academic legal sources. The primary sources for the Trademarks Act, 1999; the Patents Act, 1970; European Union laws; United States IPR laws; and the TRIPS Agreement were covered during data collection.

Judicial rulings were also widely used to analyse the position of the exhaustion principle in cross-border trade. The exhaustion doctrine has mainly evolved through judicial interpretation. The paper discussed case laws, both landmark and authoritative, in India, the European Union, and the United States. Major cases included *Kapil Wadhwa v. Samsung Electronics Co. Ltd*<sup>47</sup>., which addressed the role of international exhaustion in Indian trademark law, and *Kirtsaeng v. John Wiley & Sons, Inc*<sup>48</sup>., in which the U.S. Supreme Court recognised international exhaustion in copyright law. The European Court of Justice's judgment in *Silhouette International*<sup>49</sup> was also examined, in which the court strongly opposed international exhaustion in the EU trademark law. These rulings were examined to determine how the courts interpret consent, territoriality, and post-sale control. The case law analysis allowed a comparative assessment of the effect of the exhaustion doctrine's implementation across jurisdictions and whether it is sufficient to address parallel imports in the context of global, platform-mediated trade.

Comparative and analytical methods were used to analyse the collected data, and the research focused on how consent, territoriality, and post-sale control are interpreted across different jurisdictions. To ensure the analysis is law-centric and doctrinally grounded, the sufficiency of current legal frameworks for addressing the challenges of digital marketplaces is evaluated.

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<sup>46</sup> *Id.*

<sup>47</sup> *Kapil Wadhwa v. Samsung Elecs. Co.*, (2013) 53 P.T.C. 112 (Del.) (India)

<sup>48</sup> *Kirtsaeng v. John Wiley & Sons, Inc.*, 568 U.S. 519 (2013).

<sup>49</sup> Case C-355/96, *Silhouette Int'l Schmied GmbH v. Hartlauer Handelsgesellschaft mbH*, 1998 E.C.R. I-4799.

## **Findings and Conclusions**

The study indicates that the “doctrine of exhaustion” is a fundamental restriction on intellectual property rights, preventing right holders from imposing intermittent post-sale control over goods sold legitimately. A comparative study shows that exhaustion is neither globally uniform nor is it conceptually resolved. The fact that the European Union follows the principle of regional exhaustion reflects a policy decision to create a market, as reflected in its statutory and judicial interpretations, and it can be inferred that India follows a broader concept of international exhaustion, especially in trademark and patent law. The United States, by contrast, adopts a more fragmented, regime-based approach, primarily influenced by judicial precedent.

The paper also concludes that, as they are currently developed, exhaustion doctrines are becoming increasingly overstretched in platform-based cross-border trade. The legal aspects of consent, authorised sale, and territoriality, which are core to exhaustion, are difficult to determine in digitally fragmented supply chains involving multiple intermediaries. Legal ambiguity frequently compels courts to apply traditional doctrines in factual settings where they were not initially intended to apply and serve.

It is concluded that exhaustion is doctrinally necessary, but its application requires a purposive interpretation of the law and, in any event, legislative clarification to maintain a balance between safeguarding intellectual property and the free flow of authentic goods in the digital economy.

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