



## Training Manual on IP Crime Prosecution

### 13. BORDER ENFORCEMENT

#### Main provisions

- Article 51: right holders who have valid grounds for suspecting that importation of counterfeit trademark or pirated copyright goods may take place may apply for the suspension by the customs authorities of the release of the goods into free circulation.
- Article 58: optional *ex officio* procedure permitting customs to act upon their own initiative by suspending the release of goods in respect of which they have acquired *prima facie* evidence that an IP right is being infringed.

#### Object of suspension

- To give rights holder and/or authorities time to establish whether or not the goods infringe an IPR
- And to obtain a court order based on the merits of the claim.



#### Why border measures?

- Problem: Once imported, and entered chain of commerce, keeping track of infringing goods is difficult and enforcement impossible
- Solution: Prevent entry into the market by permitting seizure and confiscation at point of entry
- Trips arts 51-60

#### Art 51: Suspension of release of goods by Customs

Countries must adopt procedures to

- enable a right holder,
- who has valid grounds for suspecting that importation may take place of
  - counterfeit trademark or
  - pirated copyright goods,
- to apply in writing to competent authorities,
  - administrative or
  - judicial,
- for the suspension by customs of the release into free circulation of such goods.

#### Parallel importation excepted

- No obligation to apply such procedures to
  - imports of goods or
  - to goods in transit
- put on the market
- in another country
- by or with the consent of the right holder.

## Scope of protection

- Applies to counterfeiting and piracy.
- Countries may extend procedures for infringement of other IPRs, e.g. patent or designs.
- Countries may provide for like procedures in respect of infringing goods destined for export.

## Application to authority

- Any right holder must provide adequate evidence to satisfy the competent authority that,
- under the laws of the country of importation,
  - there is *prima facie* an infringement of the right holder's IPR and
  - to supply a sufficiently detailed description of the goods to make them readily recognizable by customs.

## Security

- Customs may require of an applicant to provide security
  - sufficient to protect it and the defendant, and
  - to prevent abuse.
- Security may not unreasonably deter recourse to these procedures.



## Notice

- Customs must inform the applicant within a reasonable period whether they have accepted the application and the period for which customs will suspend.
- The importer and the applicant must be promptly notified of the suspension.

## Right of Inspection and Information

- The right holder has sufficient opportunity inspect the detained goods to substantiate his claims.
- The importer has the same opportunity to have the goods inspected.
- Where a positive determination has been made on the merits, Customs may inform the right holder of
  - the names and addresses of the consignor, the importer and the consignee and
  - of the quantity of goods.

## Duration of Suspension

- Within 10 working days after the applicant has been served notice of the suspension, the goods must be released.
- In appropriate cases, this may be extended by 10 days.
- Unless:
  - customs has been informed that proceedings leading to a decision on the merits of the case have been initiated by a party other than the defendant, or
  - that the authority has taken provisional measures extending the suspension.

## Art 55 cont.

- If proceedings on the merits of the case have been initiated,
- a review must take place upon request of the defendant to decide,
- within a reasonable period,
- whether they must be modified, revoked or confirmed.

## Failure to initiate proceedings

- Where the suspension is i.t.o. a provisional judicial measure,
- it must be revoked or lapse
- upon request by the defendant,
- if proceedings on the merits are not initiated within a reasonable period.

## Remedies

- Destruction or
- disposal outside the channels of commerce to avoid any harm caused to the right holder
  - of infringing goods
  - without compensation.

## Counterfeit trademark goods

- May not allow the re-exportation of the infringing goods
- in an unaltered state
- or subject them to a different customs procedure,
- other than in exceptional circumstances.

## Indemnification of Importer and Owner of Goods

In the event of a wrongful detention the court may order

- the applicant to pay
  - the importer,
  - the consignee and
  - the owner
- appropriate compensation for any injury caused to them
- through the wrongful detention.

## De Minimis Imports

Optional exclusions (depends on local law)

- small quantities of goods
- of a non-commercial nature
- contained in
  - travellers' personal luggage or
  - sent in small consignments.



### *Ex Officio* Action

Optional provision:

- Permit customs to act *ex officio*
- upon own initiative
- to suspend the release of goods
- in respect of which they have acquired *prima facie* evidence
- that an IPR is being infringed

### Procedure

Customs may

- seek from the right holder any information that may assist them to exercise powers;

Customs must

- promptly notify the importer and the right holder of the suspension