

REVIEW OF LEGISLATION

Responses from Macau, China to Questions Posed by Japan

By means of a communication from the Permanent Delegation of Macau, China, dated 16 June 2000, the Secretariat has received the following responses to questions posed by Japan, as distributed in document IP/C/W/178.

A. COPYRIGHT

1. *Please explain how the protection is provided for works, phonograms, performances and broadcasts from other WTO Members under the Law on Copyright and Neighbouring Rights of Macau, China (hereinafter referred to as "Copyright and Neighbouring Rights Law"). Please describe the provisions of the Copyright and Neighbouring Rights Law which provide for the National Treatment and Most-Favoured-Nation Treatment as required by Articles 3 and 4 of the TRIPS Agreement as well as Article 9.1 of the Agreement which incorporates Article 5(1) of the Berne Convention.*

We remind that, since Macau is not a state, there is not a Macanese nationality. Therefore, National Treatment in Macau must be understood as the treatment given to residents, the general rule being that non-residents enjoy the same civil rights as the residents in all civil matters (Article 13 of the Civil Code, enacted by Decree-Law 39/99/M, of 3 August 1999). In harmony with that general rule, Article 50(2), of the Copyright and Neighbouring Rights Law states that the non-resident authors are generally treated as residents for protection purposes, provided there is reciprocity. However regarding works of nationals of WTO Members we must take into account Article 54 of the Copyright and Neighbouring Rights Law. This Article establishes that the rules on international protection in Articles 49 to 53 do not hinder the application of any international conventional rule binding to Macau and thus excludes reciprocity regarding WTO Members. With regard to phonograms, performances and broadcasts, identical meaning is conveyed by Article 174 of the Copyright and Neighbouring Rights Law.

This means that international conventions prevail over municipal law and are consistent with Article 1(3), of the Macau Civil Code, which states the prevalence of international conventional law as a general principle of our legal system. Such principle is of fundamental importance to understand the protection of WTO nationals in Macau.

Consequently, the treatment given to Macau residents regarding works, performances, phonograms and broadcasts is extended to the nationals from the other WTO Members. What is said above about the prevalence of international law is also effective regarding the most favoured nation rule.

2. *Please explain exceptions or exemptions of the National Treatment and Most-Favoured-Nation Treatment under the Copyright and Neighbouring Rights Law, if any, as permitted in Articles 3 and 4 of the TRIPS Agreement.*

There are no exceptions to National Treatment. Regarding Most Favoured Nation exemptions, Articles 50(2), and 174(2) of the Copyright and Neighbouring Rights Law have reciprocity provisos, which are only effective whenever not removed by an international convention (prevalence of the international conventional law).

3. *Please explain whether and how Macau, China provides retroactive protection to works, phonograms, performances from other WTO Members, as required by Articles 9.1, 14.6, and 70.2 of the TRIPS Agreement which apply, mutatis mutandis, Article 18 of the Berne Convention. Please indicate the date to which such protection extends back with respect to each category of subject-matter.*

The terms of protection are 50 years *post mortem auctoris* as a general rule (Article 21(1)), 50 years since the publication for collective works, works made for hire whenever the copyright is attributed to the employer or commissioner, anonymous works and audio-visual works (Articles 22(3), 23(1) and 106), 25 years since the making for applied arts works and photographic works (Articles 148 and 155), 50 years since the performance for performances (Article 182), 50 years since the recording for phonograms (Article 188) and 20 years since the broadcast for broadcasts (Article 192). The retroactive protection of existing subject matter from other WTO Members should be calculated in accordance with the said terms.

4. *Please explain whether protection of "computer programs" under the Copyright and Neighbouring Rights Law covers computer programs in both source and object code, as required by Article 10.1 of the TRIPS Agreement. Are those computer programs protected as literary works in accordance with Article 2(1) of the Berne Convention?*

Computer programs are expressly considered as literary works in Article 2(1)(a) of the Copyright and Neighbouring Rights Law. The law doesn't separate software in source code and in object code. Consequently, according to the interpretation principle *ubi lex non distinguit nec nos distinguere debemus* (i.e., where the law does not distinguish, the interpreter should not distinguish as well) we must conclude that both programs in source code and object code are comprehended.

5. *Please clarify whether "database" under the Copyright and Neighbouring Rights Law includes compilation of data in machine-readable form. Please explain how the Law complies with Article 10.2 of the TRIPS Agreement in this respect.*

The Copyright and Neighbouring Rights Law legislator did not consecrate a definition of database, probably fearing to not achieve one able to stand the international evolution. The concept is thus open to the interpreter. According to Article 2(1)(o), the protection comprehends "*the computerised databases and the compilations of data, provided that they are original in the criterion of organization of data or in the selection of its contents*". The compilations in machine-readable form that are mentioned in the question are certainly included in the computerised databases expressly stated in the law. In what regards non-computerised databases, they can as well be protected under the second part of Article 2(1)(o) as "compilations of data".

Article 2(3) makes clear that the protection granted to databases and compilations does not cover the data itself, although other rights, including copyright, may subsist on it.

6. *Please indicate whether compact discs, such as CD-ROMs, mainly consisting of music and accompanied with characters, still images, motion pictures or any other types of data than audio, are protected as a "database" under the Copyright Law, if such data, including music, can be retrieved.*

As said above, the law does not give a definition of database but it does not exclude from the concept the optical media mentioned in the question. Once again we should apply here the principle

ubi lex non distinguit nec nos distinguere debemus. It is our understanding that nothing in the law prevents the comprehension of the said works within the concept of database. Furthermore, whenever interpreting this concept the courts will certainly have to take into account the international trend.

B. PATENTS

7. *Please explain how Article 34.2 and 34.3 of the TRIPS Agreement, regarding the shift in the burden of proof in civil proceedings for patent infringement, are implemented in legislation of Macau, China.*

Article 102(1) of the Industrial Property Law (Decree-Law 97/99/M, of 13 December 1999) shifts the burden of proof solely in the circumstances established Article 34.1(a), of the TRIPS Agreement, i.e., whenever the product obtained by the patented process is new. In the circumstances of Article 34.1(b) of the TRIPS Agreement there is no shift in the burden of proof.

Number 2 of Article 102 of the Law adds that, in the production of evidence, the court must take into consideration the legitimate interests of the party who has the said burden of proof to protect his business secrets.

C. ENFORCEMENT

8. *Please indicate the remedies which the judicial authorities order regarding intellectual property rights, including injunctions, damages, expenses, destruction or disposal of infringing goods, materials or implements for their production. Please explain the criteria for and the way of calculation to decide the amount of the damages which judicial authorities order to the person who infringes intellectual property rights to pay to the right holder.*

Generally speaking judicial authorities in Macau may order civil remedies and apply criminal penalties. In addition, for some infringements there are also administrative penalties which are applicable by administrative bodies. Regarding the former (criminal and civil), the complete protection available in Macau results not only from the intellectual property legislation but also from the civil law, the civil procedure law, the criminal law and the criminal procedure law. These are mainly contained in the Civil Code, the Civil Procedure Code, the Criminal Code and the Criminal Procedure Code respectively. We may succinctly describe the civil and criminal remedies as follows:

(a) Criminal law:

1. Several behaviours that infringe intellectual property rights are considered to be a crime (see Articles 209 to 214 of the Copyright and Neighbouring Rights Law and Articles 289 to 294 of the Industrial Property Law);
2. The main penalties available are jail terms and criminal fines;
3. Nonetheless, there are also accessory penalties like the temporary interdiction of a certain professional activity, the closure of the commercial establishment or the publication of the judicial sentence (Articles 92 to 95 of the Criminal Code, Articles 203 to 208 of the Copyright and Neighbouring Rights Law and Articles 10 to 17 of the Law 6/96/M, the latter being applicable as effect of Article 298 of the Industrial Property Law);
4. Infringing goods, as well as materials and instruments used to produce them, are seized and may be destroyed (Article 296 of the Industrial Property Law and Articles 101 to 104 of the Criminal Code).

(b) Civil law:

1. To every right corresponds a civil action aimed to ascertain it, or to prevent its offence, or to provide redress for an offence already accomplished (Article 1(2), of the Civil Procedure Code);
2. There are also urgent procedures (cautionary procedures) to prevent the accomplishment of an offence and which may be ordered *inaudita altera parte* (Articles 326 to 337 of the Civil Procedure Code);
3. The right owner may claim as damages the total amount of the damages really suffered and proven in the court, including ceasing profits (Articles 477(1), 556 and 558 of the Civil Code). Exceptionally, whenever the offence was due to simple negligence, the court may establish an indemnity lower than the real amount of the damages (Article 487 of the Civil Code).

9. *Please indicate titles of laws and regulations and their provisions in which the suspension of the release of counterfeit trademark of pirated copyright goods is prescribed, as stipulated in Article 51 of the TRIPS Agreement. Please explain types of intellectual property rights about which the suspension can be made upon an application by a right holder.*

The Macau borders are under the jurisdiction of the Maritime and Fiscal Police that is competent to control the importation or exportation of goods (Article 2 of Decree-Law 2/95/M, of 27 January 1995). Among its duties, the police must *ex officio* prevent as far as possible the consequences of any crime and do whatever necessary to preserve the evidence (Article 44(2), of the Criminal Procedure Code generally and, for the industrial property rights, Article 295 of the Industrial Property Law).

The importation of goods that infringe copyrights, patents, topographies of integrated circuits or industrial designs is itself a crime in Macau (Article 212 of the Copyright and Neighbouring Rights Law). Consequently the police has the power to suspend the importation either *ex officio* or following a denunciation. Anyone, including the right owner, may denounce the crime to the authorities, either verbally or in writing (Articles 227 and 229 of the Criminal Procedure Code). Regarding trademarks and geographic indications Article 286 of the Industrial Property Law expressly states that the Maritime and Fiscal Police must *ex officio* seize infringing goods either on the importation or the exportation. A denunciation for that purpose can certainly be presented by the right owner according to the general rules (Articles 227 and 229 of the Criminal Procedure Code).

Irrespective of any crime, right owners may also use the cautionary procedure provided in Articles 326 to 337 of the Civil Procedure Code to prevent the importation of goods that infringe any intellectual property right. The said procedure is an urgent judicial means that purports to prevent any infringement of a right and whose success depends on a main civil action to be filed within a short term.

New legislation on customs is expected to be enacted in the near future and it may have consequences in the application of Articles 51 to 60 of the TRIPS Agreement.

10. *Please indicate titles of laws and regulations and their provisions in which the suspension of the release of counterfeit trademark of pirated copyright goods is prescribed, as stipulated in Article 51 of the TRIPS Agreement. Please explain types of intellectual property rights about which the suspension can be made upon an application by a right holder.*

The main criminal penalties are jail terms and criminal fines though accessory penalties may also be imposed (see reply to question 8). Usually the law gives the court the power to choose between a jail term and a fine. Criminal fines are established in "days", each day being worth between 50 and 10 000 patacas (MOP, the Macau currency). It is also a power of the court to establish the value of each "day".

The various crimes related with intellectual property are typified in Articles 209 to 214 of the Copyright and Neighbouring Rights Law and Articles 289 to 294 of the Industrial Property Law.

In the Copyright and Neighbouring Rights Law the heaviest penalties are the jail term between 1 and 4 years (no fine admitted) for the counterfeiting of protected works or phonograms (Article 211) and the jail term up to 4 years, or fine up to 360 days, for the usurpation of an unpublished work (Article 209(1) and (2)). The trade on counterfeited works and phonograms (Article 212), for example, as well as other crimes are punished with imprisonment up to 2 years or fine up to 240 days.

In the Industrial Property Law the heaviest penalty is the jail term up to 3 years, or fine between 90 and 180 days, for counterfeiting or unlawful utilisation of a trademark (Article 291). Legal persons involved in industrial property crimes may also be judicially dissolved (Article 9 of the Law 6/96/M, of 15 July 1996, applicable as effect of Article 298 of the Industrial Property Law).

Prosecution does not depend on accusation or complaint except in the crimes in Articles 209 (usurpation of a protected work) and 210 (unauthorized publication of an unpublished work) of the Copyright and Neighbouring Rights Law, where a simple complaint (not an accusation) is required.
