

## **REVIEW OF LEGISLATION ON ENFORCEMENT**

### **AUSTRIA<sup>1</sup>**

The present document reproduces the introductory statement made by the delegation of Austria, the questions put to it and the responses given in the review of legislation on enforcement in the context of the Council's meeting of 17-21 November 1997.<sup>2</sup>

#### **I. INTRODUCTORY STATEMENT**

The structure of the Austrian enforcement legislation is reflected in detail in Austria's responses to the Checklist of Issues on Enforcement which has been available for over a year now. Please refer to document IP/N/6/AUT/1 dated 13 September, 1996.

#### **II. REPLIES TO QUESTIONS POSED BY JAPAN**

**1. Please indicate the "competent authorities" stipulated in Article 51 of the TRIPS Agreement.**

The customs office at Arnoldstein decides on applications in accordance with Article 51 of the TRIPS Agreement. Applications may be filed at any other customs office who will forward the latter to Arnoldstein customs office.

**2. Please explain whether "proceedings leading to a decision on the merits of the case" stipulated in Article 55 of the TRIPS Agreement, are judicial or administrative.**

The proceedings leading to the decision are court proceedings.

**3. Are there any ways other than the application stipulated in Articles 51 and 52 of the TRIPS Agreement (hereafter referred to as "the Application") which enable a right holder to request the competent authorities to suspend the release of the goods which infringe intellectual property rights or which are suspected to infringe intellectual property rights?**

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<sup>1</sup> As regards laws and regulations relevant to the area under review and notified by Austria under Article 63.2 of the Agreement, reference is made to documents IP/N/1/AUT/1/Rev.2 (Annex II) and IP/N/6/AUT/1.

<sup>2</sup> The minutes of this meeting have been circulated as document IP/C/M/16.

No; the holder of a right can also file an application for a preventive injunction with the court but this will not lead to involvement of the customs authorities.

**4. Please explain what term your country regards as "a reasonable period within which the competent authorities shall inform the applicant whether or not they have accepted the Application" stipulated in Article 52 of the TRIPS Agreement.**

As soon as all requested documents have been submitted, the decision is passed without delay.

**5. Please indicate provisions of laws and ordinances which prescribe the "proceedings leading to a decision on the merits of the case" stipulated in Article 55 of the TRIPS Agreement. And please summarize their contents.**

The "procedures leading to a decision on the merits" in accordance with Article 55 of the TRIPS Agreement are the procedures envisaged in respect of the enforcement of intellectual property rights, amply explained in Austrian's responses to the Checklist of Issues on Enforcement.<sup>3</sup>

**6. Please explain the specific procedure, if any, to be applied to the goods which are not evident whether or not they infringe intellectual property rights, in Article 55 of the TRIPS Agreement.**

A review has to take place at the request of the defending party to determine if the suspension measures should be modified, revoked or confirmed. The review is conducted by the customs authority having decided or the application for suspension of release. But in doing so the customs authority is bound by final decisions or interim injunctions passed by courts dealing with the proceedings leading to a decision on the merits. In the case of an interim injunction the defendant first has to apply for a modification or revocation of the interim injunction. In these circumstances the review is actually carried out by the courts.

**7. Please explain the responsibility that the competent authorities and other related authorities take to the right holders when they fail to suspend the release into free circulation of goods which infringe intellectual property rights with regard to the suspension based on the Application or the Ex Officio Action stipulated in Article 58 of the TRIPS Agreement.**

In accordance with Section 1, paragraph 1, of the Official Liability Law the State is liable for damage culpably caused by its organs to whoever by an unlawful action in the course of the execution of the law; the organ is not liable to the party having suffered a damage.

**8. Please explain the responsibility that the competent authorities and other related authorities take to the right holders when they examine goods which infringe IPRs and nevertheless release them into free circulation with regard to the suspension based on the Application or the Ex Officio Action stipulated in Article 58 of the TRIPS Agreement.**

Please see the reply to question 7.

**9. Please explain the responsibility that the competent authorities and other related authorities take to the importers when they suspend the release into free circulation of goods**

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<sup>3</sup> Document IP/N/6/AUT/1.

**which do not infringe intellectual property rights with regard to the suspension based on the Application or the Ex Officio Action stipulated in Article 58 of the TRIPS Agreement.**

Please see the reply to question 7.

**10. Is the right holder informed of identities of the importers and consignors when the competent authorities "suspend" the goods which infringe on intellectual property rights or which are suspected to infringe intellectual property rights, as well as the case where the right holder is informed of identities of the importers and consignors stipulated in Article 57 of the TRIPS Agreement?**

The information of the holder of a right (see also the corresponding information in the instruction sheet set out in the Annex) is effected in due consideration of the strict secrecy obligation in respect of duties (Section 48(a) of the Federal Tax Code); the name of the importer is not mentioned at the first information.

[Follow-up question from Japan]

**In answer to question 10 posed by the Government of Japan, the last sentence of the answer says "the name of the importer is not mentioned at the first information". Please explain at which stage the name of the importer might be mentioned.**

The first information is restricted to the data and circumstances absolutely necessary for the right holder to decide whether the said information indeed refers to imitated merchandise or illegally produced reproduction copies or imitations. As soon as the right holder has identified the seized merchandise as imitated or illegally produced he is informed of the name and address of the importer.

**11. Please explain the measures to protect confidential information in the course of the inspection stipulated in Article 57 of the TRIPS Agreement. And please indicate provisions of laws and ordinances which prescribe such measures.**

Every officer and every other person getting to know facts in respect of duties in the course of criminal fiscal proceedings not known to the public is bound to the secrecy obligation in respect of duties. Restrictive exemptions are regulated in the law (e.g. legal obligation to disclosure, mandatory public interest or consent of the parties concerned). [Simplified compilation of the provisions of Section 48(a) of Federal Tax Code.]

**12. Please explain the procedures of detentions and seizures to be ordered by the competent authorities based on Articles 51 and 55 of the TRIPS Agreement.**

There is no special confiscation procedure. The customs authorities suspend the release of the goods or retain goods declared or discovered in the course of a customs clearance procedure.

**13. Please explain the procedures to appeal against any decisions ordered by the competent authorities based on Articles 51 and 55 of the TRIPS Agreement.**

Since permission notifications of Arnoldstein customs office are issued in the first instance there is the possibility of an appeal to the Provincial Fiscal Administration of Carinthia in the second instance, and the subsequent possibility of an appeal to the Administrative Court.

**14. Please explain the basis for calculating the security or equivalent assurance stipulated in Article 53 of the TRIPS Agreement that the competent authorities may require an applicant when they suspend the release into free circulation.**

See "Security" on the instruction sheet set out in the Annex.

**15. Please explain who shall pay the cost of detentions based on Article 51 of the TRIPS Agreement or destruction stipulated in Article 59 of the TRIPS Agreement.**

The costs are borne by the holder of a right for the reasons mentioned (see "Security" on the instruction sheet set out in the Annex).

**16. Please explain what kind of cases are regarded as "the exceptional circumstances" in which the competent authorities may allow re-exportation of counterfeit trademark goods stipulated in Article 59 of the TRIPS Agreement.**

Under (EC) Regulation 3295/94 the re-export of goods found to be counterfeits or pirated is never possible in the unaltered state.

**17. Please explain the remedies which the judicial authorities order regarding patents, industrial designs, trademarks and layout-designs (topographies) of integrated circuits. There is only a remedy about copyright law in Austria's response to question 5 of the Checklist of Issues on Enforcement.<sup>4</sup>**

Concerning industrial property rights, except trademarks, Article 147 of the Patent Law is applicable, stating that any person having suffered a violation of his rights or apprehending such a violation may apply for an injunction. According to paragraph 2 of the said Article injunctions may even be issued when no evidence for a special endangering is produced.

Respective measures to be imposed may be found in Article 382 of the so-called "*Exekutionsordnung*", which names distraint and safe deposit as examples, but has not to be seen as concluding.

The corresponding provisions for trademark infringement may be found in Articles 9 and 24 of the Law against Unfair Competition.

The legal authorities authorizing compensation orders can be found in Articles 150 and 151 of the Patent Law respectively in Article 56 of the Trademarks Law and in Article 9, paragraph 2 of the Law against Unfair Competition. The laws regulating the protection of designs, semiconductors and utility models cite the relevant articles (especially 150 and 151) of the Patent Law.

According to the provisions in the Patent Law the injured party shall have a claim on the infringer of appropriate monetary compensation. In cases of culpable patent violations the injured party may demand in the place of appropriate compensation:

- (a) Damages, including the profits of which he has been deprived; or
- (b) surrender of the profits realized by the infringer through the patent violation.

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<sup>4</sup> Document IP/N/6/AUT/1.

The injured party shall also have a claim for appropriate compensation for damages not consisting in any monetary loss suffered as the result of the culpable patent violation, insofar as this is justified by the special circumstances of the case.

Article 151 of the Patent Law states the infringer shall be obliged to draw up accounts and to have their accuracy verified by an expert. Where such verification reveals a higher amount than that from the draw-up of the accounts, the cost of the verification shall be borne by the infringer.

According to several court decisions on this Article the amount of a (fictitious) licence fee may form a parameter for profits and losses.

The same rules apply to compensation in case of trademark infringement.

(See Article 56 of the Trademarks Law and Articles 9, 15 and 16 of the Law against Unfair Competition.)

A holder of an exclusivity right based on the Copyright Act can, if his right is infringed, request:

- In accordance with Section 86 of the Copyright Act an adequate remuneration (usually the market price);
- in accordance with Section 87, paragraph 1, of the Copyright Act the lost profit (at least the amount by which his property was smallened as a result of the infringement);
- in accordance with Section 87, paragraph 2, of the Copyright Act in the case of special damage an indemnification for the immaterial damage;
- in accordance with Section 87, paragraph 3, of the Copyright Act twice the adequate remuneration if he/she cannot furnish evidence of a higher damage;
- in accordance with Section 87, paragraph 4, of the Copyright Act the return of a profit made as a result of the infringement.

Costs incurred for a lawyer in the course of civil proceedings must be asserted separately by written notification upon termination of the proceedings and will be determined by the court on the basis of existing assessment provisions and imposed on the losing party.

Outside civil procedure and in the event of wanton processing, the indemnification of lawyers' fees can also be claimed under the title of damages.

**18. Please explain whether the amount of damages which judicial authorities order the person who infringes intellectual property rights to pay the right holder is adequate compensation for the injury the right holder has suffered, and what criteria and the way for calculation to decide the amount for compensation. Do the damages include appropriate attorney's fees?<sup>5</sup>**

Please see the reply to question 17.

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<sup>5</sup> Reference is made to Austria's response to question 5 of the Checklist (document IP/N/6/AUT/1).

**19. The responses to the Checklist of Issues on Enforcement<sup>6</sup> describe that a request for the issue of an interim injunction is, in principle, decided exclusively on the basis of the evidence furnished by the endangered party. Please explain whether the provisional measures consistent with Article 50 of the TRIPS Agreement?**

The adversary of the endangered party is granted a hearing in accordance with the law by means of being given the possibility of lodging an objection against the interim injunction. In the objection procedure the adversary of the endangered party can furnish allegations and evidence in order to invalidate the allegations of facts on the part of the endangered party and thus obtain an annulment or modification of the interim injunction.

**20. The responses to the Checklist of Issues on Enforcement<sup>7</sup> describe that criminal offences in accordance with the intellectual property rights law are punishable by imprisonment of up to 6 months or fines up to 360 daily rates. Please explain whether these criminal remedies are consistent with Article 61 of the TRIPS Agreement which requires provisions for a sufficient deterrent, consistently with the level of penalties applied for crimes of a corresponding gravity.**

In the assessment of punishment the criminal courts have to consider the prevention of further infringements. In addition to Austria's answers to the Checklist of Issues on Enforcement it has to be mentioned that in accordance with Section 91, paragraph 2(a) of the Copyright Act the maximum penalty for wilful copyright piracy on a commercial scale is imprisonment of two years. This amendment became effective in April 1996.

### **III. REPLIES TO QUESTIONS POSED BY THE UNITED STATES**

#### General obligations

**1. Articles 41.1 and 42 of the TRIPS Agreement require that procedures be available for the effective enforcement of the intellectual property rights covered by the Agreement. In IP/N/6/AUT/1, Austria has stated that competence in respect of disputes involving intellectual property fall within the competence of the commercial court in Vienna, exclusive in the case of patent rights, design protection, semiconductor protection and protection of rights in utility models, and/or in the commercial senates of the respective provincial courts. Please describe in greater detail the judicial bodies in Austria through which parties can enforce their intellectual property rights, and explain the interrelationships, if any, of the various courts. Cite the laws or other authorities establishing each type of court.**

In accordance with Section 30 of the Court Organization Law provincial courts and the Commercial Court of Vienna are "courts of the first instance".

A special court for trade affairs is instituted only in Vienna. There are no specific differences between the Commercial Court of Vienna and the provincial courts.

The competence of the Commercial Court of Vienna and the provincial courts in disputes on intellectual property rights is delineated by the geographic competence of the respective courts.

In accordance with Section 83(c) of the Jurisdiction Standards courts are, by principle, exclusively competent in the area where the enterprise of the defendant is located.

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<sup>6</sup> Reference is made to Austria's response to question 11 of the Checklist (document IP/N/6/AUT/1).

<sup>7</sup> Reference is made to Austria's response to question 24 of the Checklist (document IP/N/6/AUT/1).

**2. With respect to copyrights, trademarks, protection of plant varieties, protection of geographical indications, and undisclosed information, please indicate the circumstances that would determine jurisdiction among the commercial courts and commercial senates of the provincial courts and cite the legal authority granting such jurisdiction.**

Compare with the answer to question 1 and Austria's corresponding answers to the Checklist of Issues on Enforcement.<sup>8</sup>

The essential criterion is whether the enterprise of the defendant is located in Vienna or in the other federal provinces.

**3. Please describe briefly the procedure that must be followed by a foreign party to initiate an enforcement procedure in each of the courts identified in response to question 1 and cite the legal authorities establishing those procedures.**

In order to initiate civil proceedings foreign claimants have to institute legal proceedings at a court the same way Austrian claimants have to do. Foreign claimants, however, must, upon request of the defendant, be ordered to furnish a security for payment of the costs of the proceedings if otherwise the claim to cost compensation of the winning defendant cannot be enforced. There are no procedural differences in this respect between the Commercial Court of Vienna and the other courts.

**4. Please identify any requirement that a foreign party must meet to initiate a proceeding in the courts and administrative bodies identified in answer to question 1 that is not required of a national or resident of Austria and cite the legal authorities providing for those differences.**

Compare with the answer to question 3.

**5. Articles 41.1 and 48 of the TRIPS Agreement require establishment of safeguards against abuse of judicial enforcement procedures, including provision for adequate compensation for injury suffered because of such abuse. In IP/N/6/AUT/1, Austria has stated that the party losing an action must remunerate all opponents for all costs incurred during the court proceeding. Please describe the means by which such liability is established and, if possible, provide examples.**

In accordance with Section 52 of the Code of Civil Procedure the court must decide on the compensation for the costs of the proceedings simultaneously with the decision on the merits.

In accordance with Section 54, paragraph 1, of the Code of Civil Procedure the party claiming compensation of costs must submit a list of costs incurred prior to the termination of the proceedings.

**6. Article 41.2 addresses, among other things, the cost of judicial and administrative enforcement proceedings. In IP/N/6/AUT/1, the Government of Austria outlines the approximate costs of litigation as based upon the value in dispute. Please describe how the value in dispute is established if, at the end of the day, it is up to the court to award damages, particularly since, if the lawyers' fees are established based upon the value in dispute, the tendency might be to claim a high value in dispute.**

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<sup>8</sup> Document IP/N/6/AUT/1.

For the calculation of the value in dispute evaluation regulations are provided for in Sections 54 to 60 of the Jurisdiction Standards and the Federal Code of Lawyers' Fees. For claims not involving a monetary compensation the claimant is obliged to indicate the value in question in his/her very claim. This indication of the value is examined by the court upon request of the defendant. The costs are not considered as part of the value in dispute.

**7. Article 41.2 also addresses the timeliness of judicial and administrative enforcement proceedings. In IP/N/6/AUT/1, states that duration of litigation before provincial courts and the Vienna Commercial Court is between six and 18 months. Is this for all types of cases or for intellectual property proceedings in particular?**

Statements as to the length of the proceedings refer to all proceedings at the Commercial Court of Vienna and the provincial courts.

**8. Please explain any provisions in the enforcement system in Austria that ensure expeditious remedies. In addition, please explain what provisions are available to prevent deliberate delays by the parties to a proceeding and indicate the circumstances in which such provisions will be applied.**

The court can deny a motion for the admission of evidence and dismiss allegations brought forward with the intention of protracting the procedure and fine a party with payment of the costs incurred as a result of the protraction.

Where proceedings are protracted by the court the parties can file an application for fixing a period with the higher level court.

**9. Article 41.3 of the TRIPS Agreement requires that decisions on the merits of a case preferably be in writing, the better to determine the reasoning on which the decision is based. Please state, with regard to each type of court identified in question 1, whether judges must render their decisions in writing and cite the legal authorities requiring such written opinions.**

In accordance with Section 414*bis* of the Code of Civil Procedure the courts must pronounce their decisions orally, must give the respective reasons, and issue a written document. The written document must contain the reasons for the judgement.

**10. Article 41.3 also requires that decisions on the merits of a case be based only on evidence in respect of which parties had an opportunity to be heard. Please state, with regard to each type of court identified in question 1, what factors may be considered by a judge in rendering a decision and cite the legal authorities establishing the basis on which judges may reach decisions.**

In accordance with Section 414, paragraph 1, first sentence, of the Code of Civil Procedure the judgment must be "based on oral proceedings". The judge can base his decision only on facts dealt with in the oral proceedings.

**11. Article 41.4 obligates WTO Members to provide for judicial review of certain judicial and administrative decisions in intellectual property enforcement proceedings. Please describe what legal limitations, if any, are placed upon the ability of a party to an intellectual property enforcement proceeding to have both procedural rulings and final decisions reviewed by a separate judicial authority, and cite the legal authorities providing for such reviews.**



An appeal against decisions on the merits for values in dispute of up to S 15 000 is possible only on the grounds of a serious breach of the rules of procedure and incorrect legal evaluation (Section 501 of the Code of Civil Procedure).

In the case of less significant procedural decisions no separate remedy is admissible (Sections 514, 515, 517 of the Code of Civil Procedure).

#### Civil and administrative procedures and remedies

**12. Article 42 requires that defendants be notified of judicial and administrative intellectual property enforcement proceedings brought against them. Please describe the procedures followed by each type of court identified in question 1 for notifying defending parties regarding proceedings that have been initiated against them, indicate the information provided regarding the proceeding and cite the legal authorities establishing these procedures.**

The defendant is informed about the initiation of proceedings by way of service of the action in which the claims raised must be indicated in detail.

In accordance with Section 106 of the Code of Civil Procedure the action must, by principle, be sent by post upon instigation and under the control of the court for the attention of the defendant or the attention of a representative duly authorized by the latter.

For further regulations on the service of the action (in particular as regards the possibility of depositing the mail at a place of delivery) see the Delivery Law.

**13. Under Article 42, parties are to be entitled to substantiate claims and present relevant evidence. Please describe any limitations under the law of Austria on a party's ability to substantiate a claim or to present relevant evidence and cite the legal authority providing such limitations.**

Motions for the purpose of a protraction of proceedings must be denied. Facts and evidence not disclosed during the procedure in the first instance cannot be submitted in the appeal proceedings.

**14. Article 42 requires, with one narrow exception, that there be a means to identify and protect confidential information during judicial and administrative intellectual property enforcement proceedings. In IP/N/6/AUT/1, Austria states that there is no procedure for special marking or protection of confidential evidence but that the court can exclude the public ex officio in certain instances and that intellectual property materials cannot be inspected by third parties unless both parties to the proceeding agree. Please describe the means provided under the law of Austria, in any, for parties to request that access be limited to testimony, evidence, or portions of written opinions that might contain confidential information.**

In accordance with Article 90 of the Federal Constitutional Law civil proceedings are oral and public. The court can base a judgement only on what was dealt with in the oral and public proceedings.

Testimony by a witness, submission of documents or other matter or the interrogation of parties may be denied, however, with a view to certain confidential information.

**15. Article 43.1 of the TRIPS Agreement requires that judicial and administrative officials be able to order a party to an intellectual property enforcement proceeding to produce**

relevant evidence in that party's control identified by the opposing party when the latter party has presented reasonably available evidence in support of its claims. In IP/N/6/AUT/1, Austria identifies certain circumstances in which opponents may refuse to present information. Please explain in greater detail what would have to exist to claim each condition, giving examples where possible.

As already stated above the reasons for denying the submission of a document or another matter serve the purpose of maintaining certain secrecy requirements.

Thus a lawyer cannot be compelled to present documents of a client, nor a physician to disclose a case history, nor a businessman to violate a business secret, nor a suspect to confess.

**16. Article 43.2 provides that, in the event a party refuses to provide information ordered by the judicial or administrative officials, those officials may be authorized to make preliminary and final determinations adverse to that party. In IP/N/6/AUT/1, Austria states that the judge has discretion to determine what, if anything, will be done if a party refuses to produce required information. Please provide examples of sanctions imposed by judges on parties that refused to provide ordered information and indicate under what circumstances those sanctions were imposed.**

There are no special sanctions for parties refusing to submit a piece of evidence. In such a case the court must refrain from the hearing of evidence. The denying party must be interrogated and the refusal be taken into consideration in the evaluation of evidence.

**17. Article 44.1 requires that judicial and administrative officials be able to enjoin or otherwise prevent infringing activity by a party, including by preventing the entry of infringing goods into the channels of commerce in their jurisdiction. In IP/N/6/AUT/1, Austria identifies injunctions as one of the remedies that can be ordered by judges in infringement cases. Please describe in greater detail the authority of judges in infringement cases to order parties to stop infringements and to prevent infringing goods from entering the channels of commerce in their jurisdiction immediately after clearance of such goods through customs. In addition, please cite the legal authorities authorizing such actions.**

Anyone whose exclusive rights provided for in the Copyright Act are infringed, may apply for an injunction in accordance with Section 81, paragraph 1 of the Copyright Act, and this also if the infringement is merely to be anticipated. Where an import of merchandise infringing the Copyright Act is imminent, the holder of a title must in due time apply for an injunction (and perhaps apply for an interim injunction).

Concerning industrial property, except trademarks, Article 147 of the Patent Law is applicable, stating that any person having suffered a violation of his rights or apprehending such a violation may apply for an injunction. According to paragraph 2 of the said Article injunctions may even be issued when no evidence for a special endangering is produced. Respective measures to be imposed may be found in Article 382 of the so-called "*Exekutionsordnung*", which names distraint and safe deposit as examples, but has not to be seen as concluding.

The corresponding provisions for trademark infringement may be found in Articles 9 and 24 of the Law against Unfair Competition.

**18. Article 44.2 provides an exception to the requirement in paragraph 1 for government use or use by third parties authorized by the government, limiting the remedy for infringement to payment of adequate remuneration as provided in Article 31(h). Please describe any such limitations on remedies in the laws of Austria and cite the legal authorities providing for those limitations.**

The current version of the Austrian Patent Law contains no special provision with regard to government use or use by third parties authorized by the government.

**19. Article 45.1 requires that judicial and administrative officials be able to order an infringer to pay the right holder damages adequate to compensate for the injury caused by the infringement. In IP/N/6/AUT/1, Austria states that a judge can order the payment of damages, including the recovery of profits and expenses, including attorney's fees. Please explain the factors considered in establishing the amount of the profits and expenses, not including the attorney's fees, and cite the legal authorities authorizing such compensation orders.**

Anyone whose exclusive rights provided for in the Copyright Act are infringed may request in accordance with Section 86 of the Copyright Act an adequate remuneration (usually the market price):

- in accordance with Section 87, paragraph 1, of the Copyright Act the lost profit (at least the amount by which the property was diminished as a result of the infringement),
- in accordance with Section 87, paragraph 2, of the Copyright Act in the case of special damage an indemnification for the immaterial damage,
- in accordance with section 87, paragraph 3, of the Copyright Act, twice the adequate remuneration if no evidence of a higher damage can be furnished,
- in accordance with section 87, paragraph 4, of the Copyright Act the return of a profit made as a result of the infringement.

Concerning industrial property the legal authorities authorizing compensation orders can be found in Articles 150 and 151 of the Patent Law, respectively; in Article 56 of the Trademarks Law; and in Article 9, paragraph 2 and Articles 15 and 16 of the Law against Unfair Competition. The laws regulating the protection of designs, semiconductors and utility models cite the relevant Articles (especially 150 and 151) of the Patent Law.

According to the provisions in the Patent Law the injured party shall have a claim on the infringer of appropriate monetary compensation. In cases of culpable patent violations the injured party may demand in the place of appropriate compensation:

- (a) damages, including the profits of which he has been deprived; or
- (b) surrender of the profits realized by the infringer through the patent violation.

The injured party shall also have a claim for appropriate compensation for damages not consisting in any monetary loss suffered as a result of the culpable patent violation, insofar as this is justified by the special circumstances of the case.

Article 151 of the Patent Law states the infringer shall be obliged to draw up accounts and to have their accuracy verified by an expert. Where such verification reveals a higher amount than that from the draw up of the accounts, the cost of the verification shall be borne by the infringer.

According to several court decisions on this Article the amount of a (fictitious) licence fee may form a parameter for profits and losses.

The same rules apply to compensation in case of trademark infringement.

(See Article 56 of the Trademarks Law and Articles 9, 15 and 16 of the Law against Unfair Competition.)

**20. Article 45.2 requires that judges and administrative officials be authorized to order payment of a right holder's expenses, including legal fees. In IP/N/6/AUT/1, Austria states that a judge can order the payment of damages, including the recovery of profits and expenses, including attorney's fees. Please explain how the amount of attorney's fees authorized is determined, and cite any legal authorities involved.**

The Code of Civil Procedure and the Federal Code of Lawyers' Fees regulate the costs of lawyers to be compensated for by the party losing an action. The different services of lawyers are compensated for by predetermined fees depending on the value in dispute.

As an example it may be added that if no value in dispute is claimed in a trademark infringement case the calculation shall be based on the hypothesis of S 500 000 as the value in dispute.

**21. Article 46 requires that judges and administrative officials be authorized to order, in certain circumstances, other remedies, including disposal of goods outside commercial channels or destruction of goods and destruction of materials and implements the predominant use of which is the creation of infringing goods. In IP/N/6/AUT/1, Austria states that a judge can order destruction or other disposal of infringing goods and materials/implements for their production. Please describe the circumstances in which such authority will be exercised, the factors considered in determining the nature of the remedies provided, and cite the legal authorities providing for such remedies.**

Anyone whose exclusive rights provided for in the Copyright Act are infringed may, in accordance with Section 82 of the Copyright Act, sue for abolishment of a *status quo* conflicting with the law (this includes the destruction of the objects of interference and the rendering unusable of the means of interference, i.e. the means exclusively used for illegal reproduction).

The action filed must clearly request the destruction and must be filed against the owner of the objects. Where the rights of the person affected are infringed by parts of an object only, it is possible under specific circumstances to restrict the destruction or rendering unusable to these parts.

If the illegal *status quo* can be remedied in a way entailing less destruction of values the infringed party may sue for corresponding measures only. The infringed party may request that the objects in question be surrendered to the latter by the owner against adequate compensation (Section 82, paragraph 5, of the Copyright Act).

Concerning industrial property rights, except trademark rights, Article 148 of the Patent Law provides the legal authority for ordering destruction of the goods infringing and rendering the

implement, machinery or other means having served solely or mainly for the production unserviceable.

If only parts of objects are concerned a specification of the parts not infringing shall be made. These parts shall, as far as possible, not be destroyed or rendered unserviceable if the infringer pays the associated costs in advance.

If the infringing circumstances can be eliminated in another way, which involves no or less reduction in value, the injured party may only request such measures.

The injured party may, instead of destruction or rendering unserviceable, demand that the infringing objects or means of infringement be handed over to him by the infringer in exchange for adequate compensation not exceeding the cost of their production.

Execution in matters of elimination shall, where necessary, take place in the presence of an expert designating the objects to be included in the said execution.

In regard to trademarks, Article 54 of the Trademarks Law rules that at the request of the injured party an order shall be made for tools and devices used solely or mainly in connection with the infringement to be rendered unserviceable for such purpose, that any existing stocks of counterfeit marks or designations prepared without authorization shall be destroyed or the marks and designations be removed from the objects they have been affixed to, even if this results in the destruction of the objects concerned.

If the simple removal of the marks of designations is sufficient has to be decided on a case-by-case basis and depends on the request of the injured party.

**22. Article 47 provides that WTO Members may authorize judges and administrative officials to order infringers to identify for right holders third parties involved in the production and distribution of infringing goods or services and their channels of distribution. In IP/N/6/AUT/1, Austria states that there is not right to such information in the instances identified. Please explain any plans the Government of Austria might have to amend its laws to authorize provision of such information as a means to deter infringement of intellectual property rights.**

No concrete legal proposal is under way for the time being. The question might well become the subject of internal discussion though.

**23. Article 48.2 permits WTO Members to exempt public authorities and officials from liability from remedies only where their actions were taken or intended in good faith in carrying out their responsibilities under the law. Please explain any exemption provided public authorities and officials from liability for abuse of enforcement procedures, describe the circumstances in which such limitations would not apply, and cite the legal authorities granting such exemptions.**

No such exemption exists; in accordance with Section 1, paragraph 1, of the Official Liability Law, the State is liable for any damage caused by its organs culpably to whoever by unlawful conduct in the execution of the law; the organ is not liable to the injured party.

Provisional measures

**24. Article 50.1 provides that judicial and administrative authorities shall have the authority to order prompt and effective provisional remedies to preserve relevant evidence in regard to an alleged infringement. In IP/N/6/AUT/1, Austria provides considerable detail regarding interim injunctions intended to preserve the rights of the complaining party and to ensure that resources will be available to satisfy any judgment against the defending party. It is not clear whether this authority extends to the preservation of evidence relevant to proving infringement. Please clarify whether the courts' authority to order interim injunctions includes authority to preserve relevant evidence.**

In accordance with Section 384, paragraph 1, of the Code of Civil Procedure in order to secure evidence an inspection of the *locus in quo* or the interrogation of witnesses and experts can be requested in any phase of the legal dispute and even before commencement if otherwise it is to be anticipated that the evidence gets lost or the use of the latter is rendered more difficult.

In accordance with Section 386, paragraph 1, second sentence, of the Code of Civil Procedure securing of evidence can be ordered without hearing the adversary in case of imminent danger.

**25. Article 50.2 requires Members to authorize judicial and administrative authorities to adopt provisional measures *inaudita altera parte*. In IP/N/6/AUT/1, Austria states that a defendant need not be given the opportunity of commenting on the requested interim injunction prior to its issuance. Please describe the circumstances in which a judge would provide such an opportunity and those in which the judge would determine such an opportunity was not appropriate.**

Whether or not the adversary of the endangered party is to be heard depends entirely on the discretion of the court in view of the prevailing conditions. The decisive factor must be whether the purpose of the interim injunction might be endangered by such a hearing. Where the purpose of the interim injunction could be jeopardized the adversary must not be heard.

**26. Article 50.2 requires Members to authorize judicial authorities and administrative bodies to grant provisional remedies *inaudita altera parte* when a delay is likely to cause "irreparable harm" to the right holder. Please describe briefly what is required by the courts in Austria to establish "irreparable harm" to the right holder.**

In accordance with the general provisions of the Execution Regulation an interim injunction can be issued only if it is to be anticipated that the prosecution of a claim would be jeopardized or significantly more difficult, or if such an injunction is necessary in order to prevent imminent danger or avoid imminent, irreparable harm.

In accordance with Austrian jurisdiction an imminent harm is "irreparable" for the endangered party if restitution of the prior status is not possible and monetary compensation can either not be given or would not fully remedy the damage caused.

In order to secure claims to injunctions in the field of copyright and industrial property rights, interim injunctions may be issued also in the absence of such preconditions (Section 81, paragraph 2 of the Copyright Act; Article 147, paragraph 2 Patent Act; Article 24 of the Law against Unfair Competition).

**27. Article 50.3 requires Members to authorize judicial and administrative authorities to require applicants to provide evidence to establish with a sufficient degree of certainty that the applicant is the right holder and that infringement has occurred or is imminent.**

- (a) With respect to each intellectual property right defined in Article 1.2 of the TRIPS Agreement, please describe the evidence required of right holders to establish ownership.
- (b) With respect to each intellectual property right defined in Article 1.2 of the TRIPS Agreement, please describe the evidence required of right holders to establish that infringement has occurred or is imminent.

In general the decisions to issue an interim injunction is made on the basis of probability considerations without any detailed investigation and verification of the facts. This provisional procedure aims at a speedy decision without any long-winding procedures of taking evidence. No formal procedure of taking evidence is envisaged; in many cases the presentation of documents, photos or an interrogation of the party will suffice as evidence for holding a right and for an infringement.

- (a) In regard to industrial property rights the production of registration documents is seen as sufficient for establishing ownership. In case of an assignment not yet recorded in the register an unobjectionable assignment-document has to be produced. Producing the necessary documents even the owner of an exclusive licence may apply for injunctions.
- (b) As already stated in the answer to question 17, no evidence of endangering or imminent infringement has to be produced to claim injunctions in regard to industrial property rights.

**28. Articles 50.3 requires that Members authorize judicial authorities to require the applicant to provide a security or equivalent assurance to protect the defendant. In IP/N/6/AUT/1, Austria states that a pecuniary indemnification may be required of the right holder before an interim injunction is issued "in the absence of satisfactory evidence for the claim of an interim injunction". This implies that an interim remedy can be provided even where evidence does not support its grant. Please verify if this understanding is correct and, if not, identify under what circumstances deposit of a security would be required.**

It is correct that in accordance with Section 390 of the Execution Regulation an interim injunction depending on the deposit of a security can be issued also if the party filing the request has not submitted sufficient evidence for the claim. But in such a case the disadvantages the adversary is threatened with must be suitable to be compensated for by a monetary indemnification.

Even if there is ample evidence for a claim the court may make the issue of an interim injunction conditional on the deposit of adequate security if the interim injunction gives rise to reservations with regard to significant interference with the interests of the adversary.

**29. Article 50.4 requires that parties be notified when provisional measures have been adopted inaudita altera parte. In IP/N/6/AUT/1, Austria states that, if not heard before the grant of an interim injunctions, a defending party may file an objection within 14 days of the grant of the interim injunction. Please describe how the defending party is notified of the grant of the interim injunction and indicate the legal authority for such notice.**

In accordance with Section 395, paragraph 1, of the Execution Regulation the provisions in respect of the service of an action reply to the service of a decision granting an interim injunction to the adversary of the endangered party. The reply to question 12 is referred to in this context.

**30. Article 50.4 also requires that the defendant be afforded a review process to determine whether provisional measures should be modified, confirmed, or revoked. In IP/N/6/AUT/1, Austria states that an opposition can be filed by the defendant within 14 days. Please indicate under what circumstances a judge might modify or revoke an interim injunction.**

In opposition proceedings the judge will revoke or modify an interim injunction if, upon reviewing the statements and evidence of the adversary of the endangered party, he opines that the allegations of the endangered party are no longer to be considered sound.

Legal defects of an interim injunction or procedural errors can be asserted with recourse.

In accordance with Section 399 of Execution Regulation an injunction may also be revoked or restricted if subsequently occurring circumstances warrant this.

**31. Article 50.5 requires Members to authorize competent authorities to require applicants to supply other information necessary for the identification of goods concerned by the authority that will execute the provisional measures. Please describe briefly what other information might be required for the identification of goods. Please cite the legal authority establishing the basis for this supplemental information.**

In accordance with Section 389, paragraph 1 of the Execution Regulation the endangered party must already indicate the objects of the security request in the application.

**32. Article 50.6 provides that if proceedings leading to a decision on the merits are not initiated within a reasonable time, provisional remedies granted by competent authorities shall be revoked or otherwise cease to have effect, at the request of the defendant. The statement on page 7 of IP/N/6/AUT/1 regarding execution of an interim injunction is not clear. Please clarify this statement.**

In accordance with Section 391 of the Execution Regulation the interim injunction granted must be revoked if the applicant does not initiate the procedure leading to a decision on the merits within a certain period. The deadline is determined by the judge together with the decision upon which the interim injunction is granted.

Moreover, in accordance with Section 396 of the Execution Regulation an interim injunction granted can no longer be implemented if the applicant has not made use of it within a predetermined period.

**33. Article 50.7 requires Members to provide that judicial authorities shall have the authority to order an applicant to provide the defendant appropriate compensation for any injury caused by the adoption of provisional measures when said measures are revoked, have lapsed, or when it has been determined that there has been no infringement or threat of infringement. Does the statement on page 4 of IP/N/6/AUT/1 that the party fully losing an action must remunerate all opponents for all costs incurred satisfy this obligation or is there some other provision of Austrian law that is applicable? Please describe and cite any other applicable provision.**



The explanation in respect of the costs do not refer to Article 50, paragraph 7, but to Article 48, paragraph 1 second sentence of the TRIPS Agreement.

In accordance with Section 394 of the Execution Regulation the party upon whose request the interim injunction was granted has to identify the adversary for all disadvantages suffered by the latter as a result of the interim injunction, if:

- the endangered party is finally deprived of the alleged claim for which the interim injunction was granted;
- the request is proved unjustified in another way; or
- the endangered party does not meet the deadline for filing an action or initiate execution.

Where an interim injunction has obviously been obtained wantonly, the culpable party must be fined upon request of the adversary in accordance with Section 394, paragraph 2 of the Execution Regulation with a respective penalty to be assessed by the court in due consideration of the special circumstances of the particular case.

#### Special requirements related to border measures

**34. Article 51 of the TRIPS Agreement requires that countries adopt procedures that enable right holders to request suspension of the importation of counterfeit trademarked goods and pirated copyrighted works. In IP/N/6/AUT/1, Austria explains its implementation of certain related EC directives and states that excepted from this suspension for "imitated goods" or "unlawfully manufactured items of duplication" are goods between member states. Please indicate if some other provision is available to right holders to prevent the transfer of counterfeit trademarked goods or pirated copyrighted works being transported from one member of the EC to the other, since competence for intellectual property protection generally remains with the Member States.**

This item concerns marketing on the internal market; there is no respective competence for the customs administration at the time being. As regards further civil law provisions please consult the reply to question 17.

**35. Please explain whether procedures, permissible under Article 51 of the TRIPS Agreement, are available to stop the export of goods suspected of infringing copyrights and/or trademarks.**

Implementation within the framework of Article 1 of (EC) Regulation No. 3295/94 ("Export").

**36. Article 52 of the TRIPS Agreement requires that rights holders wishing to stop importation of counterfeit trademarked goods or pirated copyrighted works present evidence to the competent authorities that there is *prima facie* infringement of their trademark or copyright. Please explain what evidence will constitute *prima facie* infringement in Austria.**

The recognizability "at first sight" depends on the property of the merchandise and the information given by the holder of a title. See "Instructions how to prepare an application" on the instruction sheet set out in the Annex.

**37. Article 52 also requires that the right holder provide a "sufficiently detailed description of the goods" to be stopped and IP/N/6/AUT/1 refers to "a sufficiently precise description of the goods". Please explain what is required of the right holder in Austria for a description to be "sufficiently precise".**

See the reply to question 36.

**38. Article 52 requires that the competent authorities notify the right holder that his application is accepted within a reasonable time. Please explain within what period of time the competent authority responds to a request for suspension of release of goods and, if the application is accepted, the length of time during which enforcement action will be taken.**

The application is handled without any unnecessary delay. The time-period determined in the notification depends on the request of the applicant. An application may be filed for not longer than two years but can be prolonged as often as desired.

**39. Article 53.1 requires that the competent authorities have the authority to secure from an applicant a security or equivalent assurance sufficient to protect a defendant and to prevent abuse. IP/N/6/AUT/1 refers to the title holder's furnishing a guaranty to cover the liability vis-à-vis a person affected by the measures. What is the amount of the guaranty required and how is it determined?**

Depending on the individual case; see "Security" on the instruction sheet set out in the Annex.

**40. Article 53.2 provides that the owner, importer, or consignee of goods involving industrial designs, patents, layout-designs or undisclosed information that have been suspended by customs authorities should be able, in certain circumstances, to have such goods released on payment of security sufficient to protect the right holder from infringement. Please identify what forms of intellectual property, if any, are subject to provisions of Article 53.2 and cite to the relevant provisions of law or regulations.**

Implementation within the framework of Article 7, paragraph 2 of (EC) Regulation No. 3295/94.

**41. Article 54 requires that the importer and the applicant be notified promptly of the suspension or release of goods. Please identify the authority/authorities responsible for notifying the importer and applicant and cite to the law or regulations spelling out the procedure followed.**

See "Information of the holder of a right" on the instruction sheet set out in the Annex.

The importer is immediately informed by the customs office which retains the goods.

**42. Please specify the period within which the competent authority must issue a notice that the release of goods has been suspended.**

See the reply to question 41.

**43. Article 55 makes it clear that the right holder applying for suspension of infringing goods must initiate a proceeding on the merits in an appropriate forum within a reasonable**

**period of time or the goods will be released. Please verify that the fora in which an applicant/party may initiate proceedings on the merits that will allow customs authorities to hold the goods beyond ten working days are the Vienna Commercial Court or the commercial senates of the respective provincial courts or, if not, identify the body or bodies where such proceedings must be initiated.**

It is correct that proceedings leading to a decision on the merits take place at the Commercial Court in Vienna or at the commercial senates of the provincial courts.

**44. Article 55 provides that a review is to take place within a reasonable time at the request of the defending party to determine if the suspension measures should be modified, revoked or confirmed pending the outcome of the proceeding on the merits. Would the authority conducting such a review be the same as that in which the right holder initiated an action or would another review the matter? Please cite the law or regulations providing for these review procedures.**

The review is conducted by the customs authority having decided on the application for suspension of release. But in doing so the customs authority is bound by final decisions or interim injunctions passed by courts dealing with the proceedings leading to a decision on the merits. In the case of an interim injunction the defendant first has to apply for a modification or revocation of the interim injunction. In these circumstances the review is actually carried out by the courts.

**45. Article 56 requires that the authorities be able to require the applicant to compensate the defending party for any injury caused if the detention of goods was unfounded. Would such compensation be considered part of the overall costs for which remuneration is provided as referred to on page 4 of IP/N/6/AUT/1? If not, please identify the authority responsible for ensuring compensation of the defending party for injury cause by the unfounded detention of goods and cite to the appropriate section of law.**

The replies in respect of cost indemnification in accordance with Section 41 of the Code of Civil Procedure Austria's responses to the Checklist of Issues on Enforcement<sup>9</sup> refer to costs accruing in civil proceedings.

In accordance with Article 9, paragraph 3 of the (EC) Regulation 3295/94 the liability of the holder of a right is determined by the legislation of the Member States. As far as Austria is concerned this implies that Section 394 of the Execution Regulation on the liability of the applicant in case of an interim injunction is to be applied also to the liability of the person filing an application for interference on the part of the customs authorities.

The subject-matter of Section 394 of the Execution Regulation is explained in the second paragraph of Austria's reply to question 7 in the Checklist of Issues on Enforcement<sup>9</sup> and in the reply to question 33.

**46. Article 57 requires that the competent authorities be able to authorize the right holder to inspect the detained goods in order to substantiate the claims. Please explain how right holders are provided an opportunity to inspect suspect goods that have been detained by customs authorities.**

See "Interference by customs offices" on the instruction sheet set out in the Annex.

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<sup>9</sup> Document IP/N/6/AUT/1.

**47. Article 57 also requires that, where the decision on the merits favours the right holder, the competent authorities also may be given authority to give the right holder information regarding the importer, consignee or consignor. If competent authorities in Austria can provide information regarding the importer, consignee or consignor to the right holder, please explain how information regarding names and addresses of consignors, importers and consignees and quantities of goods are provided to the applicant after a positive decision of infringement is made, e.g. authorities automatically providing information or by submission of a written request from the right holder, etc. Please cite to the law or regulations providing such authority.**

See "Information of the holder of a right" on the instruction sheet set out in the Annex. Explicit reference must be made to the secrecy obligation in respect of duties though (Section 48(a) of the Federal Tax Code).

**48. Article 58 specifies procedures to be followed where the competent authorities can act ex officio. IP/N/6/AUT/1 indicates that the competent authorities in Austria are not empowered to act ex officio so far (emphasis added.) Please describe any consideration being given to authorize such ex officio action.**

If the infringements are notorious the customs authorities can, in accordance with Article 4 of (EC) Regulation No. 3295/94, suspend the release for three working days without an application on the part of the holder of a right in order to enable the latter to file an application for intervention.

**49. Article 59 identifies the remedies that are to be available, including destruction or disposal of infringing goods outside the stream of commerce. If different from that described in connection with civil litigation in IP/N/6/AUT/1, please explain what the law in Austria permits regarding the disposition of infringing goods held by customs authorities. Please cite to the law or regulations providing such authority.**

As regards the disposal and destruction of merchandise seized by the customs authorities, special provisions are listed in Article 8 of (EC) Regulation 3295/94.

#### Criminal procedures

**50. Article 61 requires that criminal penalties be sufficient to provide a deterrent at least for wilful trademark counterfeiting and copyright piracy. Please explain how the penalties provided under the laws of Austria imply with that obligation.**

In the assessment of punishment the criminal courts have to consider the prevention of further infringement. In addition to the Austrian's answers to the Checklist of Issues on Enforcement<sup>10</sup> it has to be mentioned that in accordance with Section 91, paragraph 2(a) of the Copyright Act the maximum penalty for wilful copyright piracy on a commercial scale is imprisonment of two years. This amendment has come effective in April 1996.

[Follow-up questions from the US]

**1. Please provide statistical information related to civil copyright, trademark, geographical indication, industrial design, patent, integrated circuit layout-design and trade secret**

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<sup>10</sup> Document IP/N/6/AUT/1.

**enforcement for each of the years 1996 and 1997, including the number of cases filed; injunctions issued; infringing products seized; infringing equipment seized; cases resolved (including settlement); and the amount of damages awarded.**

The Austrian court automation provides an electronic docket keeping system which in first instance has the task to support the courts in the practical treatment of the individual files. The data provided for in this electronic docket keeping system can also be compiled for a more general use such as statistics.

In the gathering of the concerned data the Austrian Federal Ministry of Justice aims at information necessary for the control of efficiency and technical correctness of the court proceedings. The information gained by different evaluations of the gathered data are given to the individual judges to provide them with means for an efficient control of their departments as well as to the authorities in charge of the correct work of Austrian jurisdiction in its different parts or in its entirety.

This information system is installed for civil jurisdiction for several years already: for criminal jurisdiction it has been installed a short time ago.

Considering the Austrian constitutional principle of court independence and the fact that the review of the court decisions has to be done by the higher courts in the appeal proceedings, the said gathering of information is restricted to more or less technical aspects of the work done by judges. The statistics given by the electronic docket keeping system mainly have the task to show delays which occur in individual court departments, individual courts as a whole, in different types of courts, etc., as well as delays concerning different steps of individual proceedings. Furthermore, they shall provide information for a fair distribution of work to the individual courts and judges.

Thus, Austria has a court information system which enables the competent authorities to react in a quick and efficient manner to problems the Austrian jurisdiction is faced with. On the other hand this information system does not contain information on the contents of the court decisions. As there are no other private or public institutions in Austria which gather information on court decisions in civil intellectual property cases Austria regrets not to be able to provide the respective statistical information.

Nevertheless, the Austrian ministries in charge of the laws concerning intellectual property get the information necessary to react to legal problems concerning enforcement by other means of communication such as specialist periodicals, the publication of court decisions and direct contact to the concerned lobbies which are usually involved in the process of amending the respective laws.

The Austrian electronic docket keeping system provides for data concerning cases based on the Copyright Act, the Patent Law, the Law against Unfair Competition, the Semiconductor Law (integrated circuit layout-designs) as well as (not separated) the Trademark and the Design Law but does not make distinctions between the different rights protected by these laws. These laws cover all the remedies (injunction, destruction, information, damage) the holder of a right mentioned in the TRIPS Agreement has in the case of an infringement. But the Copyright Act also contains certain rights which are not mentioned in the TRIPS Agreement; geographical indications and undisclosed information are protected by the Law against Unfair Competition which deals with other matters too. Thus, the following statistical information cannot be in correspondence with the statistical information concerning the enforcement of the different rights the United States asked for but gives data concerning the enforcement of the mentioned Austrian laws.

Table 1

Evaluation for 1996	Copyright Act	Patent Law	Law against unfair competition	Trademark Law and Design Law	Semiconductor Law
1. cases pending on 31.12.1995	56	22	336	12	1
2. proceedings initiated in 1996	101	20	426	13	0
(a) new cases	97	19	404	13	
(b) reopened proceedings	4	1	22	0	
3. cases pending on 31.12.1996	71	26	333	12	0
(a) deriving from current year	56	17	238	9	
(b) deriving from 1995	9	7	56	1	
(c) deriving from before 1995	6	2	39	2	
4. cases solved in 1996	86	16	429	13	1
(a) by decision	20	4	64	3	0
(b) in another way	66	12	365	10	1
(c) solved cases deriving from 1996	45	3	189	4	1
(d) solved cases deriving from before 1996	41	13	240	9	0

Table 2

Provisional evaluation for 1997 (date of evaluation 30.11.1997)	Copyright Act	Patent Law	Law against unfair competition	Trademark Law and Design Law	Semiconductor Law
1. cases pending on 31.12.1996	71	26	333	12	0
2. proceedings initiated in 1997	93	28	358	19	0
(a) new cases	86	22	343	19	
(b) reopened proceedings	7	4	25	0	
3. cases pending on 31.11.1997	83	26	342	14	0
(a) deriving from current year	54	15	233	12	
(b) deriving from 1996	24	8	77	1	
(c) deriving from before 1996	5	3	32	1	
4. cases solved in 1997	81	26	359	17	0
(a) by decision	15	2	61	2	
(b) in another way	66	24	298	15	
(c) solved cases deriving from 1997	39	11	133	7	
(d) solved cases deriving from before 1997	42	15	226	10	

**2. Please provide statistical information related to criminal enforcement in the area of copyright piracy and trademark infringement for each of the years 1996 and 1997, including the number of raids, prosecutions, convictions and the amount of fines and/or jail terms (including whether the fines were paid and whether the jail term was actually served or was suspended) and any other information establishing that your criminal system operates effectively to deter copyright piracy and trademark counterfeiting.**

Preliminary notice: There are only statistical data available for 1996 and only for those criminal proceedings which led to a conviction (data provided by the Austrian Central Statistic Office). Data for convictions in 1997 will be available only during 1998. Other data than those on convictions may be available in future when computer-served docket keeping systems will have been installed in all Austrian Courts including Criminal District Courts (a project aiming at such docket keeping systems started only in 1997). Meanwhile, data such as information on the over-all number actually pending court proceedings and the form of termination of court proceedings are not available for the moment.

In Austria, the following legal provisions can be relevant for the protection – concerning judicial penal law and the intentions of the TRIPS Agreement – of intellectual property rights: Section 91 and the further section of the Austrian Copyright Act, section 51 (and the following) of the Austrian Trademark Protection Act, section 34 (and the further) of the Austrian Design Protection Act, section 42 (and the following) of the Austrian Utility Model Act and the in the area of protection

of intellectual property rights less important section 159 (and the following) of the Austrian Patent Act and section 22 (and the further) of the Austrian Semiconductor Protection Act.

All above-mentioned criminal offences are so called private prosecution offences, which means that prosecution only takes place if the injured person prosecutes the offence by initiating criminal proceedings.

Statistics show that, in 1996, one person was convicted to an unconditional fine between 60 and 180 dayrates for an offence against the Trademark Protection Act. In 1996, there were 28 convictions for offences against the Copyright Act (14 persons of them are previously convicted). 22 of these were convicted to a fine, ten conditional (four between 30 and 60 dayrates, nine between 60 and 180 dayrates) and one partly conditional. Six persons were convicted to a conditional jail term, two persons of them to a prison sentence up to one month and four persons from one to three months.

Practice shows that most of the injured persons or companies are highly interested in out-of-court solution, not so much in punishment of the offender. Their most important interest is to remove the incriminated products from sale. The position as a private criminal complainant makes it possible to reach this aim by applying for seizure, ordered by the court during preliminary investigations. In most cases, the incriminated products being seized, both of the parties are interested in an out-of court agreement. The most common solution is that the delinquent party pays a certain amount of money to the injured party as a compensation for the loss of business. After the incriminated party has paid, the injured party has no more interest to continue the court proceedings and therefore – in most cases – this party ceases to bring forward criminal proceedings to the stage further than preliminary investigations. This practice explains why few criminal proceedings lead to conviction.

**3. With respect to its answers to question 25 from the United States and question 11 of the Checklist of Issues on Enforcement, Austria has indicated that provisional measures required by Article 50 may be instituted in some circumstances without hearing the alleged infringer. Please explain whether and under what circumstances Austrian law allows courts to issue such measures without notice to the alleged infringer.**

As Austria has already indicated in its answers to question 25 from the United States and question 11 of the Checklist of Issues on Enforcement<sup>11</sup> a request for the issue of a provisional measure is decided on exclusively on the basis of evidence furnished by the right holder ("endangered party"). That means that courts do not hear the alleged infringers normally; they may only be heard by the courts in exceptional circumstances.

The alleged infringer's opportunity to be heard is granted by the possibility to lodge an objection against the provisional measure; but this objection would not hinder the provisional measure to take effect. In the objection proceedings he can furnish allegations and evidence in order to invalidate the allegations of facts on the part of the right holder and thus obtain an annulment or modification of the provisional measure.

There are no explicit provisions on the hearing of the alleged infringer in the Execution Regulation. In accordance with Austrian case law the hearing of the adversary of the endangered party is admissible when the court has some doubt if the requirements for the provisional measures are met. In any case the court has to issue the provisional measure without hearing the alleged infringer where the purpose of the interim injunction could be endangered by the hearing.

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<sup>11</sup> Document IP/N/6/AUT/1.



**ANNEX**  
**INSTRUCTION SHEET**

Customs Office Arnoldstein

*Pirated Products*

Instruction sheet referring to measures adopted in respect of the prohibition of transferring imitated goods and illegally-produced reproduction copies or imitations into free circulation or a non-collection procedure of customs duties as well as the prohibition of exporting and re-exporting such goods

Legal basis	In accordance with (EC) Regulation No. 3295/94 of the Council dated 22/12/1994 and (EC) Regulation No. 1367/95 of the Commission dated 16/6/1995 the holder of a right is entitled to request that customs offices do not leave imitated goods or illegally produced reproduction copies or imitations with the importer or retain them. Both measures are objective procedures within the framework of customs clearance, not to be confounded with seizure according to provisions of criminal proceedings. Upon due request customs offices only adopt the necessary measures to enable the holder of a right to initiate the relevant procedures at the competent court.
Protection rights	<p>The terms "imitated goods" and "illegally-produced reproduction copies or imitations" fall under the following Austrian protection rights:</p> <ul style="list-style-type: none"><li>- Law on Copyright in Designs as regards designs rights;</li><li>- Trademark Protection Law as regards registered trademarks;</li><li>- Law on Unfair Competition as regards marks/signs of an enterprise; and</li><li>- The Copyright Act as regards copyrights.</li></ul>
Intra-Community	In goods trade between the Member States of the European Union customs checks are no longer effected if goods are in free circulation upon entering and/or leaving Austria. Customs offices will only interfere where goods do not represent intra-Community merchandise to which a customs procedure becomes applicable.
Parallel Imports Re-imports	For the sake of good order it is pointed out that customs offices cannot interfere with properly marked and circulated original goods imported or exported by circumvention of contractually-agreed marketing routes.
Filing of Application	As regards the filing of an application please consult the attached instructions.
Security	The holder of a right must give a security depending on the length of the period granted. This security is intended to cover possible transportation and

storage costs in connection with a seizure of goods and costs possibly incurred for destroying imitated goods or illegally produced reproduction copies or imitations.

Costs

The costs incurred for personnel and expenditure is kind resulting from the application for interference on the part of the customs authorities must be refunded by the applicant; personnel costs correspond to the refund rates for personnel costs in customs procedures. Irrespective of any cash expenditure or other expenditure in kind the relevant costs will amount to between S 900 and S 1 000.

Information  
ex officio

A notification based on an application is circulated to all Austrian customs offices. The latter become active if they are confronted with merchandise referred to in the notification.

Recognition  
instructions

Customs offices, however, can interfere only if the infringement of a right is obvious. It is useful but not a precondition for the admissibility of the application to forward suitable illustrations that will serve the purpose of identifying goods infringing protection rights, and supply additional data to the items listed in the information, to supplement the application so that infringements of the protection rights can be recognized not only by the properties of the merchandise but also from the particulars given in the customs declaration.

National expert

Irrespective of recognition instructions it will prove useful to nominate an expert resident in Austria to whom the customs offices can turn to at short notice if and when doubts arise in the context of a customs clearance procedure whether the goods concerned are imitated goods or illegally-produced reproduction copies or imitations. Previous agreement with an expert will also increase the certainty of the holder of a right as regards possible damage claims if e.g. original merchandise is seized which is imported within the framework of parallel imports.

Information of the  
holder of a right

Upon seizure of merchandise by a customs office the holder of a right is duly informed. In order to do so without any unnecessary delay a contact person should be nominated to this effect too. It is pointed out that this information must be given with due consideration of the provisions governing data protection and official secrecy and must consequently be restricted to the data and circumstances absolutely necessary for the holder of a title to decide whether the information indeed refers to imitated merchandise or illegally-produced reproduction copies or imitations.

Interference by  
customs offices

In the case of a suspension of the release of goods or a retainment of the latter by the customs office the holder of a right must, within ten working days, furnish a temporary injunction of a court or demonstrate that the matter was brought before the competent court. If necessary this period may be extended by not more than ten working days. Within this period the holder of a right also has the opportunity of inspecting the merchandise in question. If the customs office is not informed within the period of ten and/or 20 days,

respectively, that the matter was brought before the competent court, the merchandise must be released.

Special regulation for  
registered designs

With merchandise suspected of infringing a registered design right the owner, importers or recipient of the merchandise may obtain the release, or lifting of the retainment, of the merchandise against deposition of a security. A precondition for this is i.e. the absence of a temporary injunction to the contrary by a court.

Definitions of the terms used

Imitated merchandise

Goods and packagings with marks or signs (attached without consent) that are identical with, or not to be distinguished from, trademarks legally registered for these goods, and infringing the rights of the owner.

Illegally-produced  
reproduction copies  
or imitations

Goods representing reproduction copies of imitations or containing the latter and manufactured without the consent of the owner of the copyright, a related protection right or a design right if such manufacture infringes the rights concerned. Moulds and stencils are fully comparable with such goods.

Holder of a right

The owner of a trademark or of one of the above-cited rights and any person entitled to use this trademark or protect these rights or his/her representative.

Competent customs  
authority

Arnoldstein Customs Office, Greuth 9, A-9502 Thörl-Maglern,  
Tel: (04255) 8282-405, Fax: (04255) 8282-417

Customs offices

Offices where the formalities provided for in the Customs Law can be fulfilled.

Release for home use

- For free movement of goods in terms of customs legislation: customs clearance (non-Community goods become Community goods);
- For the purpose of a non-collection procedure: dispatch procedure, bonded warehouse procedure, transformation, temporary use, active further processing following the non-collection procedure.

Release

Measures adopted by which goods are released for the purpose of the customs clearance procedure into which the goods concerned are to be released.

Declarant

Person submitting a customs declaration in his/her name or in whose name such a declaration is submitted.

Competent organ

The commercial court responsible for the interference by the customs office and/or the commercial court in Vienna for matters relating to trademark and design protection and copyright.

Design right

Right with limited validity, provided for in the Design Protection Law (trademark protection is unlimited).

Instructions how to prepare an Application for interference of the Austrian customs authorities in accordance with (EC) Regulation No. 3295/94 and (EC) Regulation No. 1367/95.

The Application must contain:

- A sufficiently detailed description of the protected merchandise, written in the German language. In the interest of the holder of a right the Application should not extend over and above the actually protected product in order to avoid regression claims of a person affected by a measure adopted by the customs authorities.
- Evidence of possession of the respective protection right for the merchandise.
- The period for which interference by the customs authorities is requested. The Application cannot be filed for a period exceeding two years but can be prolonged as often as desired.

The Application shall furthermore contain:

Other useful information speeding up the procedure and facilitating the elaboration of a notification, i.e.:

- Is customs clearance of original goods only effected at certain customs offices, and if so, where?
  - Are original goods cleared under a certain procedure only (e.g. collective declaration procedure) or only under a certain clearance procedure?
  - Are original goods imported, exported or introduced on the market by means of a certain distribution system only (e.g. only via a general representative)? If so, give a short description.
  - Are the names and addresses of companies and persons acting or having in the past acted as manufacturers, distributors, agents, forwarding agents, importers, recipients or exporters of products infringing protection rights known? If so, list them.
  - Do the original goods have typical characteristics, e.g. also as regards packaging, accompanying leaflets, guarantee certificates or instructions for use of a kind goods infringing protection rights do not have? If so, give a description.
  - Is it possible, if applicable, to deduce from the low customs value declared that the goods concerned infringe protection rights, e.g. since even the low cost price of a product significantly exceeds the price of plagiarized goods? Which amount would constitute a limit?
  - As regards the person of the holder of a right, the exact name of the company, one or more contact persons (specialist, purchaser), indicating the telephone numbers and possibly also fax numbers so as to facilitate any subsequent enquiries.
  - An indication in which form the security is given (bank guarantee, cash, savings documents).
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