

CHECKLIST OF ISSUES ON ENFORCEMENT¹

Responses from the European Community to questions 15 to 25

The following communication, dated 13 December 1996, has been received from the Permanent Delegation of the Commission of the European Communities.

I have the honour to send to you herewith the Checklist on Enforcement for the European Communities which covers all aspects of EC Regulation No. 3295/94 of 22 December 1994 laying down measures to prohibit the release for free circulation, export, re-export or entry for a suspensive procedure of counterfeit or pirated goods.

I shall be grateful if you would ensure the distribution of this Checklist to the TRIPS Council.

Special Requirements Related to Border Measures

15. **Indicate for which goods it is possible to apply for the suspension by the customs authorities of the release into free circulation, in particular whether these procedures are available also in respect of goods which involve infringements of intellectual property rights other than counterfeit trademark or pirated copyright goods as defined in the TRIPS Agreement (footnote to Article 51). Specify, together with relevant criteria, any imports excluded from the application of such procedures (such as goods from another member of a customs union, goods in transit or *de minimis* imports). Do the procedures apply to imports of goods put on the market in another country by or with the consent of the right holder and to goods destined for exportation?**

In the Community, under Regulation No. 3295/94 of 22 December 1994, the application for action by the customs authorities covers the release for free circulation, export, re-export or placing under a suspensive customs procedure (such as transit or warehousing) of goods (including moulds, matrices and packaging, also when presented separately) suspected of infringing a trademark, a copyright or a performance right, or a design right. The protection of trademarks also includes trademark symbols (logo, label, sticker, brochure, instructions for use or guarantee document), also when they are presented separately.

¹Document IP/C/5

On the other hand, the scope of the European Regulation does not cover:

- goods from another Member State of the Community;
- goods of a non-commercial nature contained in travellers' personal luggage, if they are under the value limit for relief from customs duty (ECU 175);
- goods manufactured with the consent of the holder of the right or which bear a trademark with his consent but which are imported or exported without his consent;
- goods manufactured or which bear a trademark under conditions other than those agreed with the holder of the right in question.

16. Provide a description of the main elements of the procedures relating to the suspension of the release of goods by customs authorities, in particular the competent authorities (Article 51), the requirements for an application (Article 52) and various requirements related to the duration of suspension (Article 55). How have Articles 53 (security or equivalent assurance), 56 (indemnification of the importer and of the owner of the goods) and 57 (right of inspection and information) been implemented?

The main elements of the conditions governing action by the customs authorities are the following:

- Application for action is made in each Member State separately;
- Application is lodged with the national competent *customs* authority designated by each Member State. Only one *customs service* is competent in each Member State;
- The holder of the right or the person authorized to use the right (as well as their representative) shall prove, at the time of the application, their status, and shall describe the goods in question in sufficient detail. They must have protected their right in the Member State where application for action is made (by means of either an international or a national instrument). Moreover, they shall provide all other pertinent information available to them, without, however, that information being a condition of admissibility of the application;
- The proof of the status as the holder shall be:
 - *proof of registration* (trademark or design right);
 - *proof of lodging* (trademark or design right);
 - *any proof of authorship or of status as original holder* (copyright, right in a performance or design right that is unregistered or for which an application has not been lodged);
- Where the applicant is a person authorized to use an intellectual property right, he shall, with the application, provide the document by virtue of which he is authorized to use the right in question;
- Where the applicant represents the holder of the right or the person authorized to use the right, he shall, with the application, provide the proof of authorization to act;

- The competent customs service shall deal with the application and shall forthwith notify the applicant in writing of its decision. This decision shall specify the period during which the customs authorities shall take action. Any refusal to grant an application shall give the reasons for refusal and may be the subject of an appeal;
- Member States may require the holder of a right to provide a security:
 - to cover any liability on his part *vis-à-vis* the persons involved in one of the actions where the procedure initiated is discontinued owing to an act or omission by the holder of the right or where the goods in question are subsequently found not to be counterfeit or pirated;
 - to ensure payment of the costs incurred in keeping the goods under customs control;
- Where a customs office is satisfied that goods correspond to the description of those contained in the decision, it shall suspend release of the goods or detain them;
- The service which dealt with the application, the applicant and the declarant shall be informed forthwith;
- In accordance with national provisions relating to commercial and industrial secrecy and professional and administrative confidence, the customs authorities shall notify the holder of the right, at his request, of the name and address of the declarant and, if known, of those of the consignee;
- The applicant and the persons involved in the customs operation may inspect the goods whose release has been suspended or which have been detained;
- The customs office may take samples;
- The period of the suspension or detention is *ten working days* from the time of notification of the measure. If, within this time limit, the customs office has not been informed that the matter *has been referred to the authority competent to take a substantive decision* or that the duly empowered authority has adopted *interim measures*, the goods shall be released (provided the customs formalities have been complied with). In appropriate cases, this period may be extended by a maximum of ten working days.

17. Describe provisions governing the length and cost of proceedings. Provide any available data on the actual duration of proceedings and their cost. How long is the validity of decisions by the competent authorities for the suspension of the release of goods into free circulation?

The provisions governing the length and cost of proceedings vary according to Member States. For example, when an applicant lodges an application for action with the competent customs service, he may be charged a fee in certain Member States. The amount of the fee differs according to the Member State concerned.

The duration of the validity of decisions of the customs authorities falls within national competence.

18. Are competent authorities required to act upon their own initiative and, if so, in what circumstances? Are there any special provisions applicable to *ex officio* action?

In the Community, this kind of action is optional. But, if a Member State provides for it, the system is then the following.

Where, before an application has been lodged, it appears evident to the customs office that goods are counterfeit or pirated, the customs authority may notify the holder of the right of a possible infringement thereof. The customs authority has power to suspend release of the goods or detain them for a period of three working days to enable the holder of the right to lodge an application for action. The declarant shall be informed forthwith thereof.

19. Describe the remedies that the competent authorities have the authority to order and any criteria regulating their use.

The possibility of suspending the release for free circulation or retaining the suspected goods at the time of their export, re-export or entry for a suspensive customs procedure is provided by Regulation No. 3295/94 of 22 December 1994. Any other remedies that the competent authorities have the authority to order come within the competence of the Member States.

Criminal Procedures

20. Specify the courts which have jurisdiction over criminal acts of infringement of IPRs.

21. In respect of which infringements of which intellectual property rights are criminal procedures and penalties available?

22. Which public authorities are responsible for initiating criminal proceedings? Are they required to do this on their own initiative and/or in response to complaints?

23. Do private persons have standing to initiate criminal proceedings and, if so, who?

24. Specify, by category of IPR and type of infringement where necessary, the penalties and other remedies that may be imposed:

- imprisonment;
- monetary fines;
- seizure, forfeiture and destruction of infringing goods and materials and implements for their production;
- other.

25. Describe provisions governing the length and any cost of proceedings. Provide any available data on the actual duration of proceedings and their cost, if any.

Criminal matters fall within the competence of the Member States. Article 11 of Regulation No. 3295/94 of 22 December 1994 provides only that the Member States have to introduce penalties to apply in the event of infringements relating to intellectual property rights covered by Regulation No. 3295/94. Such penalties must be sufficiently severe to encourage compliance with the relevant provisions.