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CURRENT PRACTICES IN THE AREA OF CUSTOMS RECORDATION: REPORT ON RESULTS OF SURVEY

Document prepared by the Secretariat

ABSTRACT

This document presents the results of a survey on existing customs recordation systems for intellectual property (IP) rights among 19 WIPO Member States, undertaken by WIPO in the furtherance of developing the IPAS Customs Recordation and Information System (CRIS). It summarizes the main features of the surveyed systems, including the IP rights eligible for recordation, required documentation, other information captured through recordation, as well as the cost, duration, and renewal procedures. The document also describes the type and number of active recordations and the interoperability, where applicable, with the respective national IP office's registration system. Lastly, the document reports on good practices and challenges in the operation of customs recordation systems.

I. INTRODUCTION

1. Customs authorities are at the forefront of interdicting intellectual property (IP) infringing goods at their national borders and thereby play a vital role in IP enforcement. Customs recordation systems facilitate this by allowing right holders or their representatives to record their registered IP rights in a given jurisdiction, which, in turn, allows customs authorities to more effectively and efficiently examine, detain, seize, order forfeiture and ultimately destroy IP infringing goods entering a given country.

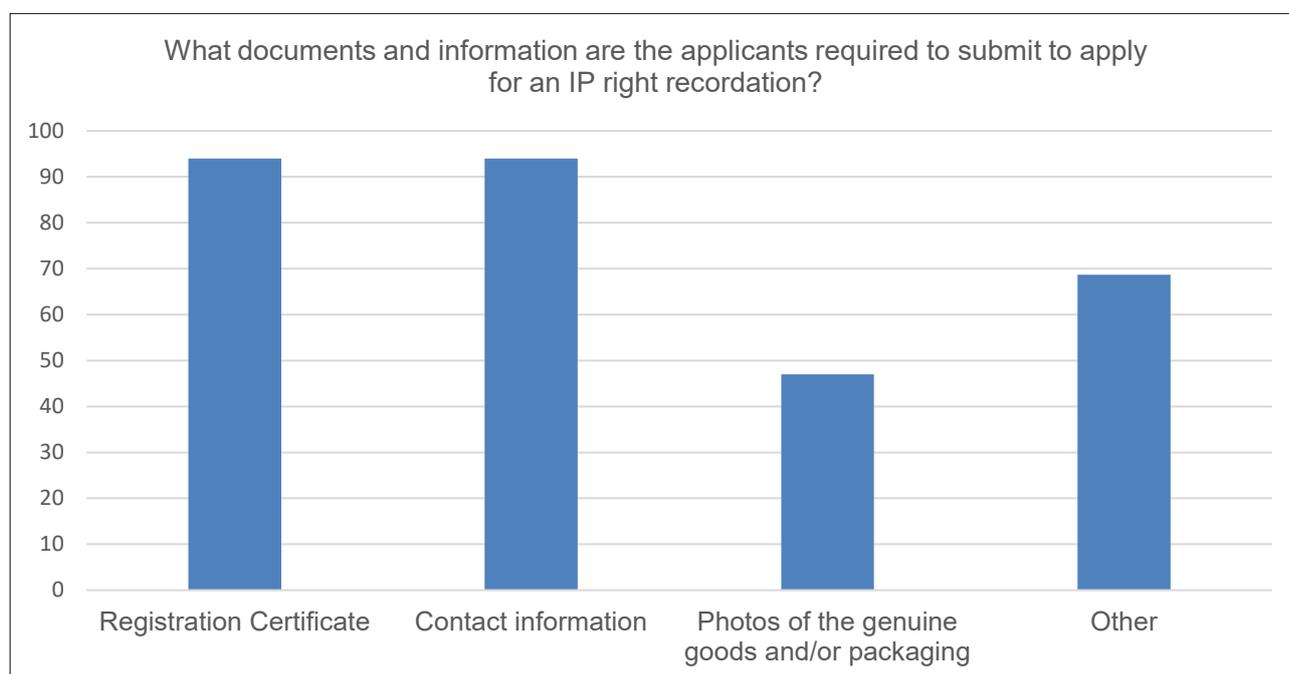
2. WIPO recently undertook a survey of 19 of its Member States, representing all geographical regions, to better understand the features of existing customs recordation systems and how such systems are being used in practice, as well as to gauge some of the good

practices and current challenges faced by customs authorities when making use of such systems.

3. The responses to the survey serve as a landscaping exercise in the preparation and development of WIPO's Customs Recordation and Information System (CRIS). CRIS will be linked to the existing WIPO Industrial Property Administration System (IPAS)¹, which is currently used in over 90 WIPO Member States. The design and development of CRIS will begin in 2024, with the piloting of the initiative planned for the latter half of that year.

II. FEATURES OF THE CUSTOMS RECORDATION PROCESS

A. DOCUMENTATION AND INFORMATION REQUIREMENTS FOR APPLICATIONS



4. When applying for an IP right recordation, applicants are typically required to submit a combination of different documents and information.

5. Most of the responding customs authorities (94 per cent) indicated that both a registration certificate and contact information are required for the IP right recordation application. A registration certificate issued by the competent national authority provides details about the IP right, such as the registration number, date of registration, and the Nice Classification in the case of trademark registrations. Contact information includes the applicant's legal identity, addresses, and other relevant information.

6. Nearly half of the responding customs authorities (47 per cent) require, in addition, photos of the genuine goods and/or packaging, which assist in identifying infringing goods more effectively.

7. Examples of additional requirements mentioned by the responding customs authorities include, among others, detailed descriptions of the infringing goods, further information about

¹ IPAS is a business software solution offered to IP offices for the processing of applications for IP rights. More information is available here: https://www.wipo.int/global_ip/en/activities/ip_office_business_solutions/index.html.

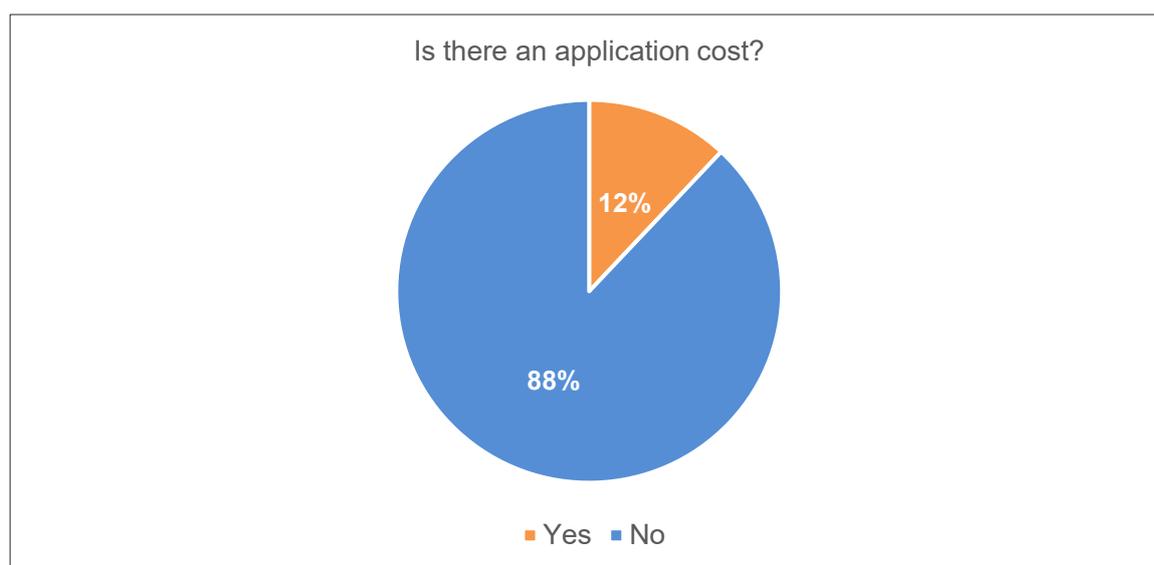
the right holder and its representative, evidence that the IP right has been infringed or is likely to be infringed, and details regarding the term of protection.

B. ADDITIONAL MATERIALS PROVIDED BY APPLICANTS

8. In the majority of the surveyed countries (61 per cent), applicants may include additional materials with their application for customs recordation. These materials are designed to enhance the efficiency and effectiveness of the identification of infringing goods by customs officers. The following are some examples of such materials provided by applicants:

- **Product Identification Guides** to assist customs officers in recognizing the distinctive features of genuine and infringing products. These guides can also include information on how best to take photos for the purpose of allowing the right holders to assist in the identification of infringing goods.
- **Samples** to help customs officers familiarize themselves with genuine products.

C. APPLICATION COST AND VALIDITY



9. In the vast majority of the surveyed countries (88 per cent), there is no application fee for recording an IP right. In countries where an application fee is required, the amount of the fee may vary significantly.

10. The validity period of IP recordation also varies significantly across jurisdictions, reflecting the diversity of legal frameworks and national regulations. In most countries, the validity period has a fixed term that varies from one to ten years. However, in some countries, IP recordation has no defined expiration date.

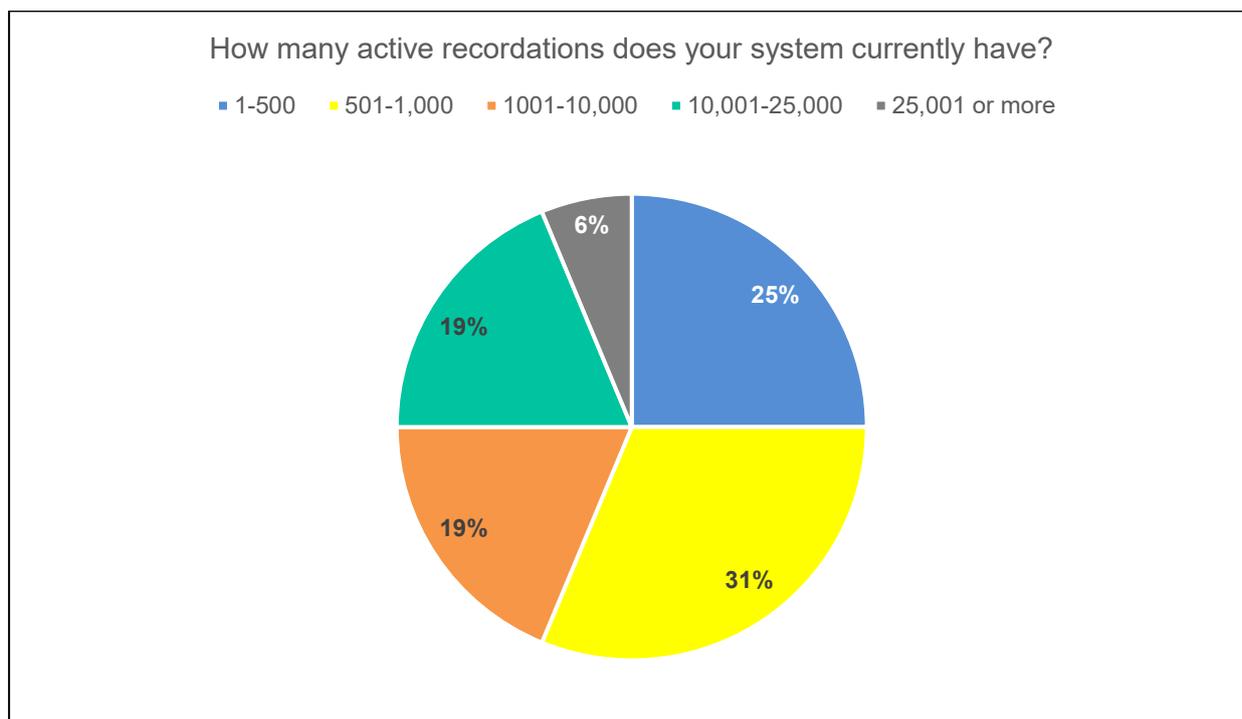
D. DURATION OF THE APPLICATION PROCESS

11. Among the surveyed countries, the time typically required by customs authorities to process and approve recordation applications varies widely and is reported to be from one day up to one month.

III. USE OF CUSTOMS RECORDATION SYSTEMS IN PRACTICE

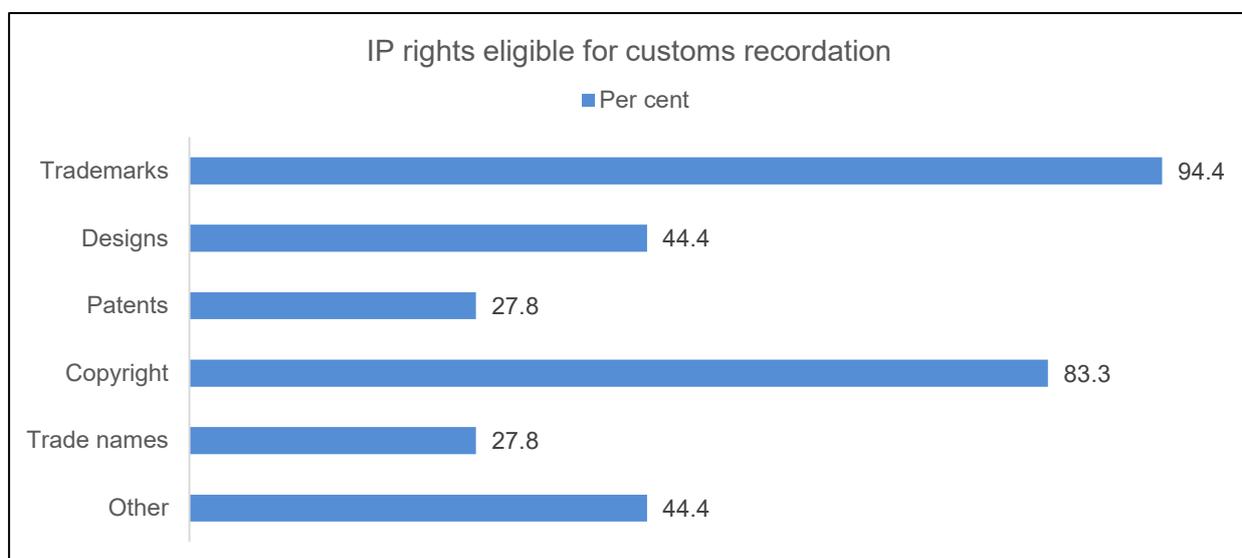
A. ACTIVE RECORDATIONS

12. The majority of the surveyed countries (31.3 per cent) indicated having between 500 and 1,000 active recordations in their systems, while only 6.3 per cent indicated having more than 25,000 active recordations. The responses indicate that trademarks, designs and copyrights are the most recorded IP right.



B. ELIGIBILITY FOR CUSTOMS RECORDATION BY TYPE OF IP RIGHT

13. Trademarks are the most widely/frequently eligible type of IP right for recordation in the surveyed countries, followed by copyrights and designs.



14. In addition to the “traditional” IP rights, some of the surveyed countries indicated that they also allow the recordation of other rights, including geographical indications, appellations of origin, copyright-related rights and plant variety rights.

C. DATA FIELDS

15. There is significant overlap in the type of information captured in the data fields of recordation systems in a majority of countries. Over 95 per cent of the surveyed countries include the IP right owner’s name and contact details², and over 80 per cent include information about the IP right, such as its registration number, registration date and expiration date³, as well as the name of the goods bearing or embodying the IP right and their description⁴. In comparison, only 70 per cent of the surveyed countries include images of the genuine goods in their recordation system.

16. Additionally, the survey results show that a number of systems allow for the submission of information concerning authorized distributors (58.8 per cent), information about authorized manufacturers (47.1 per cent), the identification of licensees (35.3 per cent), and the means of transportation and routing of genuine goods (35.3 per cent).

17. Notably, some of the surveyed countries also reported including in their customs recordation systems information about entities suspected of infringing IP rights and details about the infringing goods. Further, in some other countries, customs recordation systems include fields to capture general customs information, such as clearance details, tariff numbers and product codes, as well as the customs broker(s) used by a right holder or an authorized importer or distributor to clear its goods. At least one country includes information on gray market protection.

D. RENEWAL PROCESS

18. As indicated above, the validity period of the IP right recordation varies significantly across jurisdictions. Likewise, the renewal process is different in each of those countries where there is a defined term for customs recordation.

19. In the majority of countries, the renewal of the recordation has no fee and the process is mostly straightforward, based on the submission of a simplified application form.

E. PURGING INACTIVE/EXPIRED/CANCELLED RIGHTS

20. Of the surveyed countries, the majority (73.3 per cent) have a process to purge inactive, expired or canceled IP rights from their systems.

² According to the data received from the survey, at least one country did not indicate whether their customs recordation system includes the IP right owner’s name and contact details.

³ In contrast, only one country includes the registration number and date of an IP right without specifying the expiration date of the IP right.

⁴ It is worth noting that the indication of the goods and their description is not necessarily associated with an International Class of Goods and Services (e.g., Nice Classification, Locarno Classification, International Patent Classification). Only 58.8 per cent of the surveyed countries indicated, in addition to including a data field for naming the goods and their description, that they require an indication of the associated International Classification.

21. As to the process of purging this data, in some jurisdictions, the information is validated and updated automatically with the registering office (the national IP office), while in others the competent authority must order it⁵ or the right holder must request it.

F. INTEGRATION WITH NATIONAL IP REGISTRATION SYSTEM

22. Of the surveyed countries, only 41.2 per cent have a customs recordation system that is linked to the national IP office's registration system.

IV. GOOD PRACTICES AND CURRENT CHALLENGES

23. The survey responses identified several good practices in customs recordation systems. These include:

- effective communication with right holders and brand representatives, to facilitate decision-making regarding the suspension of release of goods;
- coordination between the national IP office responsible for the registration of IP rights and the customs recordation system, to assist in verifying the eligibility of a right to be recorded;
- the incorporation of a thorough set of data fields in the system, including photos of genuine goods, product identification guidelines and points of contact for the right holder or representative, to assist customs officers in identifying infringing goods; and
- while not strictly related to customs recordation systems, several respondents stated that continuous training for frontline customs officers to keep them abreast of the latest developments, and, vice versa, to inform national authorities and right holders of recent challenges they may be facing was advantageous in ensuring customs officials are equipped to effectively counter IP infringements at the border.

24. On the other hand, some of the identified challenges were:

- insufficient information provided by right holders, which complicates the process of identifying infringing products;
- some right holders complain about the (nominal) fees that are required in some systems;
- IT challenges and delays in software development; and
- lack of efficient means for data exchange between right holders and customs authorities.

V. CONCLUSION

25. The survey carried out on existing customs recordation systems in 19 Member States revealed several important insights regarding the functioning of existing systems, certain good practices and some common challenges. A few of the key takeaways are summarized below.

⁵ For example, in some countries, such orders may be made by the courts or by an administrative entity vested with this function.

26. With regard to the application process, most existing customs recordation systems require the submission of mandatory documents and information. Most often, this includes: the IP registration certificate, the contact details of the right holder or representative and, to a lesser extent, photos of genuine goods. In some countries, applicants may also provide additional materials such as product identification guides, training manuals, samples and other relevant documents. In most countries, there is no application cost for a customs recordation. The approval process duration, as well as the validity period, varies widely across jurisdictions.

27. As far as the breakdown of recorded rights is concerned, trademark, copyright and design are the most common types of IP right recorded. However, some systems also allow for the recordation of other IP rights such as geographical indications, appellations of origin, copyright-related rights and plant variety rights.

28. Notably, many systems are not linked to the national IP registration systems for an automatic verification of the underlying right.

29. In terms of best practices and challenges, a number of responses reported that ease of contact with right holders or their representatives is essential, as is the provision of sufficient materials to assist customs officials in effectively identifying infringing goods. As it translates to the design of customs recordation systems, this means providing ample data fields to capture the recorded right and ensuring that the contact information provided is up to date.

30. Some of the main challenges faced include not having a well-functioning software system and a lack of speedy data exchange with right holders.

[End of contribution]