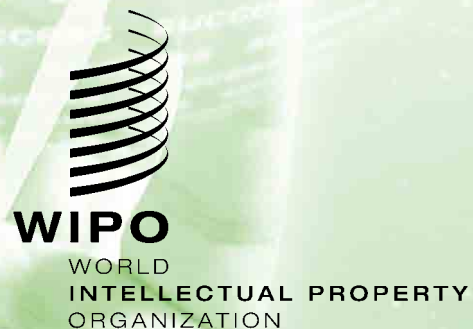




ENFORCEMENT OF INTELLECTUAL PROPERTY (IP) RIGHTS IN COUNTRIES IN TRANSITION

Version One



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ENFORCEMENT OF INTELLECTUAL PROPERTY (IP) RIGHTS IN COUNTRIES IN TRANSITION¹ - TOOL KIT

1. INTRODUCTION

1. The development of a tool kit that reflects public and private sector views on the enforcement of intellectual property rights (IPRs) in countries in transition was discussed in a series of WIPO Inter-Regional Symposiums² and was finally requested by Member States. The latter underscored the importance attached to effective intellectual property (IP) enforcement in the region, reflected *inter alia* in the adoption of formal national IP strategies in various countries, such as Albania,³ Bulgaria,⁴ Croatia,⁵ Hungary⁶ and Romania.⁷ A main pillar of these strategies is raising awareness on the importance of IP rights and on the impact of counterfeiting and piracy. Member States further expressed great interest in an exchange of information concerning IP enforcement-related legislation and practices in the region. This, it was felt, would lead to mutual benefits through experience in the region and open up the public-private dialogue, including with a view to identifying practical issues that may warrant further consideration at national levels.

2. In this context, attention is drawn to WIPO's Strategic Goal VI "*International Cooperation on Building Respect for IP*", a broad, cross-cutting goal aiming at enhancing international cooperation on building respect for intellectual property. Strategic Goal VI calls for a balanced approach and focuses on international cooperation with the public and private sectors to establish an enabling environment with a view to promoting respect for

¹ For the purpose of this document, "countries in transition" are certain countries in Europe and Asia, in particular Central European and Baltic States, Central Asian, Eastern European and Caucasian countries, as well as some Mediterranean countries, that cooperate with WIPO under Program 10 of the WIPO 2012/2013 Program and Budget (http://www.wipo.int/export/sites/www/about-wipo/en/budget/pdf/budget_2010_2011.pdf). Cooperating countries are Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Georgia, Greece, Hungary, Israel, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Malta, Montenegro, Poland, Republic of Moldova, Romania, Russian Federation, Serbia, Slovakia, Slovenia, Tajikistan, the former Yugoslav Republic of Macedonia, Turkey, Turkmenistan, Ukraine and Uzbekistan.

² WIPO Inter-Regional Symposium on Enforcement of Intellectual Property Rights, Sofia, November 2008; WIPO Inter-Regional Symposium on Enforcement of Intellectual Property Rights, Skopje, October 2009; WIPO Inter-Regional Symposium on Enforcement of Intellectual Property Rights, Prague, November 2010; WIPO Inter-Regional Symposium on Enforcement of Intellectual Property Rights, Belgrade, September 2011; WIPO Inter-Regional Symposium on Enforcement of Intellectual Property Rights, Chisinau, October 2012. Information on the Symposiums is available [here](#).

³ IPR Enforcement Strategy 2010 – 2015, based on the European Partnership Document, Council Decision 2008/210/EC (<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:080:0001:01:EN:HTML>); the Stabilization and Association Agreement, SAA (http://ec.europa.eu/enlargement/pdf/albania/st08164.06_en.pdf); Progress Report 2008, 2009 (http://ec.europa.eu/enlargement/pdf/press_corner/key_documents/reports_nov_2008/albania_progress_report_en.pdf; http://ec.europa.eu/enlargement/pdf/key_documents/2009/al_rapport_2009_en.pdf); the TRIPS Agreement, and the *acquis communautaire*, Country Report 2010 – Albania (General Directorate of Customs), p. 8.

⁴ Anti-counterfeiting strategy, Country Report 2010 – Bulgaria, p. 3.

⁵ National Strategy for IPRs 2010-2012, Country Report 2011 – Croatia, p. 1; http://www.dziv.hr/files/File/strategija/Strategy_IP_2010_12.pdf.

⁶ Anti-Counterfeiting Strategy, Country Report 2010 – Hungary (Hungarian Patent Office), p. 3, National Board against Counterfeiting, Annual Report 2009, p. 6 (http://www.hipo.gov.hu/English/HENT_A4_ENGLISH_OK_LOW.pdf).

⁷ Country Report 2011 – Romania (Fraud Investigation), p. 9.

intellectual property in a sustainable manner. In addition, this Strategic Goal reflects the shift in focus from purely enforcement-related activities to a broader approach taking account of Member States' socio-economic and development-oriented concerns to cope with the challenges of counterfeiting and piracy. The WIPO Advisory Committee on Enforcement (ACE) serves as a mechanism for Member States to coordinate work towards this goal.⁸ The work under this Strategic Goal is guided by WIPO Development Agenda Recommendation 45.⁹

3. The tool kit is a compilation of information provided by Member States in country and working group reports presented at the 2010, 2011 and 2012 WIPO Inter-Regional Symposiums.¹⁰ Valuable information gathered during the 2008 and 2009 WIPO Inter-Regional Symposiums has also been incorporated. Private sector views, submitted through the rights holder association REACT are also included.¹¹ Legal sources from WIPO¹² and the WTO¹³ supplement the document. As requested by Member States, the paper focuses at this stage on issues raised in the context of IP border enforcement and market surveillance. Reference is made to the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) as the legal framework for IP border enforcement; where applicable, it also refers to the EU legal framework.¹⁴

4. A broader scope for the tool kit might be envisaged in the next phase, should Member States so wish. In that regard, they expressed interest in further work concerning the demand side of counterfeiting and piracy,¹⁵ counterfeiting and piracy over the Internet¹⁶ as well as criminal procedures. An outline of these issues is included under Section 4. Both the subject matter of IP enforcement and the region as such show a diverse and complex picture, and the draft paper does not claim to be comprehensive. Rather, it focuses on subjects raised in the course of the above dialogue in an endeavor to capture the various approaches and suggestions.

5. Additional information is contained in four Annexes. Annex I contains references to relevant national, regional and multilateral IP enforcement-related provisions; Annex II reproduces a proposal submitted by right holders concerning the recycling of counterfeit goods; Annex III contains recommendations on border enforcement by the private sector submitted through REACT; and Annex IV reflects a United Nations Economic

⁸ Working documents of the ACE sessions are available [here](#).

⁹ Under WIPO Development Agenda Recommendation 45, WIPO is "to approach IP in the context of broader societal interests and especially development-oriented concerns keeping in mind that 'the protection and enforcement of intellectual property rights should contribute to the promotion of technological innovation and to the transfer and dissemination of technology, to the mutual advantage of producers and users of technological knowledge and in a manner conducive to social and economic welfare, and to a balance of rights and obligations', in accordance with Article 7 of the TRIPS Agreement."

¹⁰ Country reports of the 2010 WIPO Inter-Regional Symposium are available at http://www.wipo.int/meetings/en/details.jsp?meeting_id=21444; country reports of the 2011 WIPO Inter-Regional Symposium are available at

<http://www.wipo.int/meetings/en/calendar.jsp?userMonth=09&userYear=2011>.

¹¹ <http://www.react.org/>, see also Annex III of the tool kit.

¹² WIPO Lex is a database providing access to IP laws and treaties of the members of WIPO, the World Trade Organization (WTO) and the United Nations (UN). (<http://www.wipo.int/wipolex/en/about.html>). Legislation is available in the respective original language and – in most cases – in English. Moreover, some countries have provided notes summarizing individual laws.

¹³ WTO reviews of implementing legislation; (http://www.wto.org/english/tratop_e/trips_e/intel8_e.htm).

¹⁴ The following Member States are also Members of the European Union: Bulgaria, Cyprus, Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, Slovenia.

¹⁵ Country Report 2010 – Albania (Customs), p. 11.

¹⁶ Country Report 2010 – Hungary (Customs), p.3; Country Report 2011 – Kazakhstan (Ministry of the Interior), p. 1.

Commission for Europe (UNECE) Recommendation, addressing the use of market surveillance to protect consumers against counterfeit goods.

6. The draft working document and its Annexes were submitted to Member States for review and complementary information, and were subsequently discussed at the 2011 WIPO Inter-Regional Symposium held in Belgrade (henceforth referred to as “the Belgrade Symposium”). The final draft version of the document was presented and approved during the 2012 WIPO Inter-Regional Symposium in Chisinau (henceforth referred to as “the Chisinau Symposium”). Comments received in the context of that meeting are reflected in this document.

2. BORDER ENFORCEMENT

7. This section outlines issues relating to IP border enforcement. Attention is drawn to the Information Repository of IPR Legislation on Border Measures (Repository) that was developed by the Secretariat of the World Customs Organization (WCO) Counterfeiting and Piracy (CAP) Group. The objective of the Repository is to share information among customs administrations on the implementation of border measures. The Repository includes the list of laws passed, flow charts on border enforcement procedures as set out in Section 4 of Part III of the TRIPS Agreement,¹⁷ case studies on specific items and the list of contact points for the private sector.

2.1 APPLICATION FOR CUSTOMS PROCEDURES

8. Article 52 of the TRIPS Agreement stipulates that “Any right holder initiating the procedures under Article 51 shall be required to provide adequate evidence to satisfy the competent authorities that, under the laws of the country of importation, there is *prima facie* an infringement of the right holder’s intellectual property right and to supply a sufficiently detailed description of the goods to make them readily recognizable by the customs authorities. The competent authorities shall inform the applicant within a reasonable period whether they have accepted the application and, where determined by the competent authorities, the period for which the customs authorities will take action.” The obligations under Article 52 of the TRIPS Agreement are implemented by Article 5 of Regulation (EC) No 1383/2003¹⁸ and by Articles 5, 6, 9, 10 and 11 of Regulation (EU) No. 608/2013¹⁹ (see also Articles).

9. Customs enforcement authorities across the region expressed concerns about the low number of customs applications by right holders. This could be due to several reasons, including business decisions concerning individual markets that may not be considered key markets for right holders.²⁰ In addition, various elements relating to the application procedure itself were raised and are summarized below.

¹⁷ Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) (1994).

¹⁸ Council Regulation (EC) No 1383/2003 of 22 July 2003 concerning customs action against goods suspected of infringing certain intellectual property rights and the measures to be taken against goods found to have infringed such rights, OJEC, 2003, L 196/7.

¹⁹ Regulation (EU) No. 608/2013 of the European Parliament and of the Council of 12 June 2013 concerning customs enforcement of intellectual property rights and repealing Council Regulation (EC) No. 1383/2003, OJEU, 2013, L181/15. As its denomination indicates, this Regulation is going to supersede Regulation 1383/2003. Entered into force on July 19, 2013, Regulation No. 608/2013 will be applicable as from January 1, 2014, except for some provisions, applicable earlier or later (see Article 40 of Regulation No. 608/2013). Article 6 thereof is applicable as from July 19, 2013.

²⁰ Country Report 2010 – Albania (Customs), p. 11; Country Report 2010 – FYR of Macedonia, p. 3.

Information on procedures available under national law

10. Two Member States suggested that right holders did not always have sufficient knowledge concerning the available procedures in a particular country. Information events organized for right holders at national levels were considered helpful in this respect.²¹

Application costs

11. Depending on the relevant law, an application procedure for customs protection, subsequent storage and disposal may incur costs for right holders, such as an annual application fee,²² or a “Fee charged for Customs Services in Dealing with the Application” in Lithuania,²³ costs for power of attorney (POA) requirements (such as the notarization and legalization of the POA), or costs relating to translation requirements.²⁴

12. The TRIPS Agreement does not expressly address the matter, but establishes the principle that IP enforcement procedures “shall not be unnecessarily complicated or costly” (Article 41.2 of the TRIPS Agreement). According to Article 5.7 of Regulation No. 1383/2003²⁵, right holders shall not be charged a fee covering “administrative costs occasioned by the processing of the application”. This, in turn, may imply that other costs can be imposed on right holders and is currently under discussion. For example, according to Article 6.2 read with Article 5.4 of Regulation No. 1383/2003²⁶, right holders have to pay for any translation necessary in case they submit an application for action by customs authorities. In that sense, the Customs Regulation does not establish that right holders do not have to bear any costs for IP enforcement procedures. Nevertheless, right holders reported that they would abstain from filing an application for customs action if such an application incurred costs that were to be perceived as excessively high.

Formalities

13. In three countries in transition²⁷, right holders are obliged to submit original trademark certifications as part of the application for customs procedure. Obviously, right holders are required to prove that they hold the respective rights.²⁸ However, since obtaining the original trademark certification can sometimes be rather burdensome and time-consuming, right holders have suggested considering possible alternatives, such as to register extracts or copies of the rights in question (accepted as proof in case of filing a European Community application²⁹) as acceptable proof of ownership of the right.

²¹ Country Report 2010 – FYR of Macedonia, p. 3; Country Report 2010 – Montenegro, p. 3.

²² Until January 2011, an annual application fee amounting to 200 EUR was applicable in Serbia; according to a new regulation that entered into force on January 1, 2011, no fee is charged.

²³ Article 8 of the Law on the Protection of Intellectual Property in the Field of Import and Export of Goods, No. IX – 117, 2000.

²⁴ Such costs are levied in e.g., Albania, Montenegro, Serbia, Turkey.

²⁵ Article 8 of Regulation (EU) No. 608/2013 as from January 1, 2014.

²⁶ And according to Article 29.3 of Regulation (EU) No. 608/2013 as from January 1, 2014 when the right holder files a “Union application”, i.e., “an application submitted in one [EU] Member State and requesting the customs authorities of that Member State and of one or more other Member States to take action in their respective Member States” (Article 2, under (11), of Regulation (EU) No. 608/2013).

²⁷ E.g., Albania, Montenegro, Turkey.

²⁸ Article 52 of the TRIPS Agreement; Article 6 of Regulation (EU) No. 608/2013 (this latest provision is applicable as from July 19, 2013).

²⁹ See European Commission, Manual for lodging of applications for customs action, p. 47

(http://ec.europa.eu/taxation_customs/resources/documents/customs/customs_controls/counterfeit_piracy/right_holders/manual_en.pdf).

Bond or insurance

14. In South East European, Central Asian countries and the Commonwealth of Independent States (CIS),³⁰ the application procedure for customs action is based upon the “Rules for Customs Control over Movement of Goods Incorporating the Intellectual Property Items through the Customs Border” of 2001.³¹ Under this agreement, a bond or an insurance to cover potential abuse of the border mechanism may be required (in Georgia, the requirement for such insurance was recently abolished).³² A wider approach is set out in Article 53.1 of the TRIPS Agreement which requires that authorities shall have the authority to require a “security or equivalent assurance sufficient to protect the defendant and the authorities and to prevent abuse”. At the same time, it is established that such security shall not unreasonably deter recourse to customs procedures.³³ According to Article 6.1 of Regulation No. 1383/2003, right holders merely have to submit a declaration accepting liability towards the defendant in case such an action is discontinued “or in the event that goods in question are subsequently found not to infringe an intellectual property right”³⁴. A bond or an insurance to cover potential abuse of the customs action is, as such, not required.

15. In practice, right holders reported that the condition of providing a bond or insurance had a deterrent effect on filing an application for customs action, especially as they were not aware of the actual benefit of providing such bonds or insurances. Therefore, and in line with Article 6.1 of Regulation No. 1383/2003³⁵, right holders suggested exploring a mechanism that would enable the provision of an indemnity letter instead. In Bosnia and Herzegovina for example, customs authorities accept such an indemnity letter, certified by a notary,³⁶ while the new Customs Code of Ukraine provides for the abolition of a security deposit.³⁷

Single application for several countries

16. Should right holders wish to file an application for customs action in Member States of the European Union (EU), they can make use of the Community application, provided that they hold a Community trademark, a Community design right or other Community IPR³⁸ the applicant may decide in which Member States the Community application shall apply. It is generally unnecessary to translate application forms and the declaration from right holders, accepting liability in the event that enforcement procedures are discontinued, as the content of the documents is harmonized. It should, however, be

³⁰ Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Republic of Moldova, Russian Federation, Tajikistan, Turkmenistan, Ukraine, Uzbekistan.

³¹ [Not received].

³² Country Report 2011 – Georgia, p. 15.

³³ Article 53.1, second sentence, of the TRIPS Agreement.

³⁴ See, *mutatis mutandis*, Article 28 read together with Article 6.1, *litt.* (n), of Regulation (EU) No. 608/2013, applicable as from January 1, 2014,

³⁵ Replaced by Article 28 of Regulation (EU) No. 608/2013 as from January 1, 2014,

³⁶ Country Report 2011 – Bosnia and Herzegovina (Taxation Authority), p. 2.

³⁷ Country Report 2011 – Ukraine, p. 9.

³⁸ Article 5.4 of the Customs Regulation; Manual for Lodging of Applications for Customs Action (http://ec.europa.eu/taxation_customs/resources/documents/customs/customs_controls/counterfeit_piracy/right_holders/manual_en.pdf). As from January 1, 2014, right holders will be able to make use of a “Union application” “only with respect to intellectual property rights based on Union law producing effects throughout the Union” (Article 4 of Regulation (EU) No. 608/2013). That covers the Community trademark, the Community design right, a Community plant variety right and any other (future) EU-wide intellectual property right.

noted that specific national provisions may require translation into the national language³⁹. REACT reported that the Community application had resulted in an increased number of applications for customs action especially in Central European EU Member States. Belarus, Kazakhstan and the Russian Federation signed an Agreement on the Formation of the Unified Customs Territory and the Customs Union.⁴⁰ The agreement aims *inter alia* to facilitate the filing of an application for action by customs authorities. Right holders suggested further exploring such bilateral or multilateral approaches that seek to facilitate particular elements of the filing procedure especially with a view to reducing the number of single applications that have to be filed. Member States mentioned in this respect that applications should be filed in the national language of each Member State.

Filing of applications electronically

17. In addition, right holders suggested an online filing system. An electronic application system would allow right holders to directly update information easily which could improve quality and timeliness of the information available to customs. Such a mechanism is available in several Member States of the EU.⁴¹ In Bosnia and Herzegovina, the possibility of electronic filing is currently being considered.⁴² Right holders expressed the view that such a system would facilitate the application process significantly, and would increase the number of applications filed with the respective customs authorities.

2.2 GOODS IDENTIFICATION

Inspection

18. In case customs authorities suspend the release of goods into free circulation because they are suspected to be counterfeit or pirated, right holders must, without delay and in the prescribed time, identify these goods as IP-infringing. Otherwise, they could be released into the market. Under Article 57 of the TRIPS Agreement, right holders shall be given – without prejudice to the protection of confidential information – sufficient opportunity to inspect the goods detained by customs authorities in order to substantiate their claims. However, in practical terms, the timely inspection of goods at customs authorities' premises may not always be feasible, especially in cases where goods have been seized at remote customs ports. In that sense, right holders recommended a customs practice through which to share digital images of the detained goods for initial inspection. This was perceived to be particularly helpful and effective for initial goods identification. Such a procedure is already available in Israel, where a digital image of the detained goods is sent by customs to the right owner for initial examination.⁴³

Access to information

19. Right holders further stated that identification could be facilitated if information concerning the consignor, the importer and the consignee were transmitted by customs

³⁹ See European Commission, Manual for Lodging of Applications for Customs Action, p. 51 (http://ec.europa.eu/taxation_customs/resources/documents/customs/customs_controls/counterfeit_piracy/right_holders/manual_en.pdf); see also Article 6.2 of Regulation No. 1383/2003. The aforementioned Manual refers to Regulation No. 1383/2003, superseded by Customs Regulation No. 608/2013. Article 28.3 of this last Regulation (applicable as from January 1, 2014) provides that “the holder of a decision granting a Union application shall provide [...] for any translation required by the competent customs department or customs authorities which are to take action concerning the goods suspected of infringing an intellectual property right”.

⁴⁰ <http://www.tsouz.ru/Docs/Kodeks/Pages/default.aspx>; an English translation is available at http://trade.ec.europa.eu/doclib/docs/2010/february/tradoc_145777.pdf.

⁴¹ *Inter alia* Germany, Hungary, Ireland.

⁴² Country Report 2011 – Bosnia and Herzegovina (Taxation Authority), p. 2.

⁴³ Country Report 2011 – Israel, p. 2.

administrations. This, however, is subject to national legislation, including with a view to the protection of confidential information and to avoiding abusive use of such information (e.g., in order to prevent giving a competitive advantage).⁴⁴ Right holders proposed exploring whether some of these concerns could be addressed through the provision of a security or other equivalent assurance protecting the defendant and the customs authorities.

Product information online database

20. The effective communication and sharing of intelligence between the public and private sectors is perceived to be essential in the context of identification of goods. In that context, the WCO launched a new tool to combat counterfeiting and piracy, known as Interface Public-Members (IPM). IPM consists of an online database enabling right holders to provide customs officers with data on their products, as well as information making it possible to distinguish between genuine and fake goods. Customs officers can access this information and training tool globally, free of charge, via secure user interfaces in the local language; right holders have access through an annual subscription based on their sales revenues.⁴⁵ In the course of the 2010 WIPO Inter-Regional Symposium (henceforth referred to as “the Prague Symposium”), Member States suggested also making this tool available to police officers. In Georgia, the Revenue Service of the Ministry of Finance (in charge of registering IP-protected goods) plans to make use of IPM in the near future.⁴⁶ The Hungarian customs administration indicated that Hungarian customs officers dealing with the identification of goods could now make use of IPM.

Capacity building concerning goods identification

21. Various countries in transition reported that customs officers do not always have sufficient experience in dealing with IP enforcement cases, especially with a view to effective identification of goods.⁴⁷ In addition, the Hungarian customs administration explained that customs officers’ IT knowledge was not always sufficient to take action against infringements through the Internet.⁴⁸ As this was considered a universal problem, further training programs for the sharing of knowledge provided by right holders were proposed.

2.3 FOLLOW-UP PROCEDURES

22. Article 55 of the TRIPS Agreement provides that “[i]f, within a period not exceeding 10 working days after the applicant has been served notice of the suspension, the customs authorities have not been informed that proceedings leading to a decision on the merits of the case have been initiated by a party other than the defendant, or that the duly empowered authority has taken provisional measures prolonging the suspension of the release of the goods, the goods shall be released, provided that all other conditions for importation or exportation have been complied with; in appropriate cases, this time-limit may be extended by another 10 working days. If proceedings leading to a decision on the merits of the case have been initiated, a review, including a right to be heard, shall take place upon request of the defendant with a view to deciding, within a reasonable period, whether these measures shall be modified, revoked or confirmed. Notwithstanding the

⁴⁴ The TRIPS Agreement formulates disclosure of such information as an option, however only where a positive determination on the merits of the case has been made.

⁴⁵ See <http://ipmpromo.wcoomdpublishations.org/>.

⁴⁶ Country Report 2011 – Georgia, p. 11.

⁴⁷ See, e.g., Country Report 2010 – Albania (Customs), p.11; Country Report 2010 – Hungary (Customs), p. 3.

⁴⁸ Country Report 2010 – Hungary (Customs), p. 3.

above, where the suspension of the release of goods is carried out or continued in accordance with a provisional judicial measure, the provisions of paragraph 6 of Article 50 shall apply.”

Legal costs in civil and administrative procedures

23. Court proceedings are expensive (e.g., court fees, legal fees). Article 45.2, first sentence, of the TRIPS Agreement requires the authority “to order the infringer to pay the right holder expenses, which may include appropriate attorney’s fees.”⁴⁹ Within the EU, according to Article 14 of the Directive 2004/48/EC⁵⁰ (Enforcement Directive, currently under review⁵¹), “Member States shall ensure that reasonable and proportionate legal costs and other expenses incurred by the successful party shall, as a general rule, be borne by the unsuccessful party, unless equity does not allow this”. Right holders recommended inserting a provision in the laws of Central Asian countries (such as the provision adopted in Kyrgyzstan) addressing this matter, stipulating that costs shall be paid by the declarant in cases where the goods prove to be counterfeit.⁵²

Simplified procedure

24. Article 11 of Regulation No. 1383/2003 provides for an additional option, the so-called “simplified procedure”⁵³. Such a procedure was identified by right holders as very useful and effective. A simplified procedure is an out-of-court procedure, enabling customs authorities that have detained goods suspected of infringing IPRs to dispose of those goods without there being a need to establish whether an IPR has been infringed under national law. Under this system, the legal ground for disposal is established by a procedure producing either (i) a written agreement by the declarant, the holder or the owner of the goods “to abandon the goods for destruction”⁵⁴ or (ii) a presumption of such agreement, if the declarant, the holder or the owner of the goods has not specifically opposed the destruction within a prescribed period. Right holders have expressed strong support for the simplified procedure as it is less time-consuming and more cost-effective.

25. Several EU Member States have adopted a simplified procedure.⁵⁵ In addition, the procedure has been established in TŕYR of Macedonia and Serbia (both alternatives referred to under (i) and (ii), above).⁵⁶ In Turkey, an alternative (i) to the simplified procedure, mentioned above, has been introduced.⁵⁷ In other words, in the aforementioned Member State, court proceedings can only be avoided where the declarant, the holder or the owner of the goods can be located and signs the declaration to abandon the goods for destruction. In this context, it is worth mentioning that some customs administrations considered it as rather risky in the absence of unambiguous evidence.

⁴⁹ Article 45.2 first sentence of the TRIPS Agreement: “The judicial authorities shall also have the authority to order the infringer to pay the right holder expenses, which may include appropriate attorney’s fees.”

⁵⁰ Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights; Official Journal of the European Union, June 2, 2004, L 195/17.

⁵¹ Cf. Annex I B.

⁵² See e.g., Kyrgyzstan Law of August 5, 2008 No. 196, Article 346.2: The declarant shall compensate the costs of the customs body in case the seized goods are recognized as counterfeit.

⁵³ The simplified procedure is going to be regulated by Article 23 of Regulation (EU) No. 608/2013 as from January 1, 2014.

⁵⁴ Article 11 of the Customs Regulation.

⁵⁵ E.g., Country Report 2011 – Croatia; Country Report 2011 – Czech Republic, slide 5.

⁵⁶ [Underlying legislation to be verified].

⁵⁷ [Underlying legislation to be verified].

There was general agreement between customs administrations and right holders that the simplified procedure was cost-effective and efficient.

Duration of court proceedings

26. Customs officials from Hungary reported occasional delays in following-up litigation.⁵⁸ In Bosnia and Herzegovina, the duration of follow-up is in general regarded as too long.⁵⁹ During the Prague Symposium participants suggested that criminal court proceedings should not last longer than six months; lengthy proceedings would discourage the use of the legal system. In addition, long follow-up procedures might incur high storage costs for right holders and/or customs administrations (see also 2.4, below). In this respect, during the Belgrade Symposium, right holders reported that follow-up criminal procedures tended to be rather lengthy in some countries. It was also evident that the long duration of criminal proceedings, combined with relatively lenient sentences had a limited deterrent effect. Participants further emphasized that the effectiveness of an IP enforcement system not only depended on the active intervention of customs, but also on effective follow-up procedures.

Capacity building concerning follow-up procedure

27. Several Member States indicated that the judiciary does not always have sufficient experience in adjudicating IP-related cases, including civil, administrative and criminal procedures and sanctions. Further training programs to improve such knowledge was considered essential to improve IP litigation.

2.4 DESTRUCTION AND RECYCLING OF COUNTERFEIT AND PIRATED GOODS

28. Destruction procedures and requirements often vary from country to country. One of the objectives of the destruction procedure is to ensure that counterfeit goods stay out of the channels of commerce, with a view to preventing damage to consumers and right holders. As the numbers of seized counterfeit and pirated goods have increased constantly over the past few years, the storage and destruction of such goods has become a major problem for both governments and right holders. A WIPO study in 2010 found that “the disposal of counterfeit industrial and domestic goods is becoming much more technically complex, costly and onerous as governments and right holders seek to implement TRIPS’ compliant measures that also take into account the need to mitigate the environmental impact and achieve compliance with other national legislative requirements.”⁶⁰

Costs of transportation, storage and destruction

29. Following their detention, infringing goods are usually transferred for storage to a central customs warehouse to insure that they are not reintroduced into the channels of commerce. Right holders reported that it was not unusual that for them to organize and pay for transportation to the storage site without the possibility of recovering the costs. Additional costs would be incurred by the sometimes lengthy storage procedure itself, as well as the subsequent destruction process.

⁵⁸ Country Report 2010 – Hungary (Customs), p. 3; Country Report 2011 – Hungary (Customs), p. 6.

⁵⁹ Country Report 2011 – Bosnia and Herzegovina (Taxation Authority), p. 3.

⁶⁰ D. Blakemore: *A study relating to existing methods of disposal and destruction of counterfeit goods and pirated goods within the Asia Pacific region*, document WIPO/ACE/6/8, p. 5 (http://www.wipo.int/edocs/mdocs/enforcement/en/wipo_ace_6/wipo_ace_6_8.pdf).

30. Right holders questioned an approach under which they would have to bear in principle the cost of storage and destruction, and could only recover these costs from the infringer within the framework of subsequent court proceedings, if they were instituted. Proposals raised by right holders, aiming to mitigate costs in that context, included making use of shortened procedures; low-cost storage facilities; sharing storage facilities with other right holders; keeping the goods with the declarant in a bonded warehouse.⁶¹

Environmental issues

31. Depending on the relevant national legislation, as well as the nature of the goods and facilities available, methods of disposal of goods identified as counterfeit or pirated include open-air burning, shredding, crushing, burying in landfills as well as recycling and donation.⁶² In this context, right holders stressed the importance of the option of recycling as an environmentally friendly method of disposal.

32. It was reported that suitable facilities for the environmentally friendly destruction of infringing goods were not always available,⁶³ not sufficiently developed⁶⁴ or too costly.⁶⁵ In such cases, consideration could be given to transporting the infringing goods abroad to an adequate destruction facility. However, the cross-border transportation of counterfeit or pirated goods might be impeded by legal provisions, including the Montreal Protocol on Substances that Deplete the Ozone Layer and the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal, prohibiting the international transportation of goods confirmed as counterfeit or pirated. This issue was also addressed in the review of Regulation (EC) No. 1383/2003 and will be addressed, as from January 1, 2014, under Article 25.2 of Regulation No. 608/2013. Right holders have proposed enhanced regional cooperation to address this issue, including sharing technical information and past experience with regard to the destruction of infringing goods.

33. The following Member States offer an interesting alternative to the destruction of infringing goods: in the Czech Republic, customs authorities are authorized, on the basis of a court decision and with the right holders' consent, to donate IP-infringing goods to humanitarian organizations.⁶⁶ Romania reported that, subject to the right holders' written consent, IP-infringing goods could be donated to charitable organizations.⁶⁷

34. Given the importance attached to the matter by right holders, REACT has provided a paper (Annex II) which summarizes right holders' suggestions for the environmentally friendly destruction of goods.

2.5 OTHER ISSUES

Ex officio procedures

35. Under Article 58 of the TRIPS Agreement, *ex officio* action by customs administrations is optional. Where available, customs procedures may be carried out by competent authorities upon their own initiative and do not depend on the initiative of right

⁶¹ See also para. 35.

⁶² Concerning countries' authority to provide other remedies not required by Article 59 of the TRIPS Agreement, see WTO panel report in case WT/DS362 (US-China), paragraph 7.285.

⁶³ Cf. the case study of Serbia in document WIPO/ACE/6/8, p. 5.

⁶⁴ Country Report 2011 – Bosnia and Herzegovina (Taxation Authority), p. 2.

⁶⁵ Country Report 2011 – Croatia, p. 3.

⁶⁶ Country Report 2011 – Czech Republic, slide 6.

⁶⁷ Country Report 2011 – Romania (Customs), p. 1.

holders. This mechanism is provided for in the Customs Regulation.⁶⁸ Examples for national implementation in countries in transition which are also EU Member States are Croatia⁶⁹, Czech Republic,⁷⁰ Hungary,⁷¹ Latvia⁷² and Romania.⁷³ In addition, Bosnia and Herzegovina,⁷⁴ Kazakhstan⁷⁵, Serbia,⁷⁶ Turkey⁷⁷ and Ukraine⁷⁸ reported that *ex officio* customs procedures were available in their respective jurisdictions. The cost of storage and destruction can in some jurisdictions, such as Estonia⁷⁹ and Latvia,⁸⁰ immediately be charged to the infringer and/or its representatives.⁸¹

Goods in transit

36. The application of border measures to goods in transit allegedly infringing IPRs is not an obligation under the TRIPS Agreement. Some customs administrations, as well as right holders, reported a certain legal uncertainty as to customs procedures available in the context of goods in transit allegedly infringing IPRs.⁸² It was also reported that goods in transit were not inspected on a regular basis.⁸³ Within the EU, more clarity resulted from recent case law of the European Court of Justice (ECJ) on the interpretation of “counterfeit goods” and “pirated goods” in Article 2.1(a) and (b) of Regulation No. 1383/2003⁸⁴. One of the questions at issue was whether or not the scope of the Regulation encompassed goods in transit from one non-Member State to another non-Member State where there was no real prospect of such goods being released onto the EU market. In the case of trademarks, it had to be determined whether such a scenario could entail the use of a trademark *in the course of trade* in the relevant territory. Following some general observations by the ECJ in that regard (*Polo Lauren* (2000) ECR I-2519; *Rolex* (2004) ECR I-651), the judgment of December 1, 2011⁸⁵ clarified that goods in transit from one non-Member State to another non-Member State could not be classified as “counterfeit goods” or “pirated goods” only because of the fact “that they are brought into the customs territory of the EU under a suspensive procedure”.⁸⁶ Such goods could however be classified as “counterfeit goods” or “pirated goods” where proof was provided that they were intended to be put on sale in the EU.⁸⁷

⁶⁸ Article 18 of the Customs Regulation.

⁶⁹ Country Report 2011 – Croatia, p. 3.

⁷⁰ Country Report 2011 – Czech Republic, slide 5.

⁷¹ Government Decree No. 371/2004 on customs actions infringing certain intellectual property rights.

⁷² Regulation No. 749 of Cabinet of Ministers of the Republic of Latvia, “Procedures for Customs Control Measures for Protection of Intellectual Property Rights”.

⁷³ Country Report 2011 – Romania (Customs), p. 1.

⁷⁴ Country Report 2011 – Bosnia and Herzegovina (Taxation Authority), p. 2.

⁷⁵ Country Report 2011 – Kazakhstan (Ministry of Finance), p. 1.

⁷⁶ Country Report 2010 – Serbia, p. 4.

⁷⁷ Country Report 2011 – Turkey (Customs), p. 3.

⁷⁸ Country Report 2011 – Ukraine, p. 6.

⁷⁹ [To be verified].

⁸⁰ [To be verified].

⁸¹ See also paras. 29 and 30.

⁸² The TRIPS Agreement does not require the availability of border measures to suspend counterfeit and pirated goods in transit (*cf.* Article 51 of the TRIPS Agreement).

⁸³ E.g., Country Report 2011 – Bosnia and Herzegovina (Taxation Authority), p. 3.

⁸⁴ See also Article 2, under (5) and (6) of Regulation (EU) No. 608/2013, applicable as from January 1, 2014.

⁸⁵ Joined Cases C-446/09: Koninklijke Philips Electronics NV v Lucheng Meijing Industrial Company Ltd, Far East Sourcing Ltd, Röhlings Hong Kong Ltd and Röhlings Belgium NV; and C-495/09: Nokia Corporation v Her Majesty’s Commissioners of Revenue and Customs.

⁸⁶ See Judgment of the ECJ of December 1, 2011 in joined cases C-446/09 and C-495/09

(<http://curia.europa.eu/juris/document/document.jsf?text=&docid=118191&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=1002256>).

⁸⁷ *Ibid.*

37. Concerning goods in transit that were seized on the grounds of alleged patent infringements, Brazil and India initiated WTO dispute settlement proceedings by requesting consultations with respect to EU customs measures, among other things, claiming violation of the GATT obligation to allow freedom of transit, as well as various provisions of the TRIPS Agreement on patent rights and enforcement.⁸⁸ So far, there has been no request for a WTO dispute settlement panel to be established. On July 28, 2011, the Government of India announced that India and the EU had informally settled the dispute, based on the principles contained in the Understanding to guide border enforcement of IP in the EU.⁸⁹ Since then, “Guidelines of the European Commission concerning the enforcement by EU customs authorities of intellectual property rights with regard to goods, in particular medicines, in transit through the EU” have been issued.⁹⁰ These Guidelines clarify the application of Regulation No. 1383/2003 and also take the findings of the ECJ judgment of December 1, 2011 into account.

Cooperation with right holders

38. In the course of the 2011 WIPO Inter-Regional Symposium, customs authorities drew attention to so-called “deals” concluded between right holders and IP infringers without the involvement of the customs authorities. Such deals had the effect that customs had to release goods suspected to be IP-infringing, as there were generally no legal means in place to continue to detain the goods without the right holders consent. Customs officers underlined that such procedures do not only undermine the work of customs, but also cause frustration. They called upon right holders to refrain from such deals. Without approving the “deals”, right holders explained that they were very cost-effective and fast. Legal possibilities to prevent such deals were also discussed.

3. MARKET SURVEILLANCE

3.1 INTRODUCTION

39. In addition to the effective border control by customs authorities, market surveillance can play a crucial role in protecting consumers from IP-infringing goods that might be harmful to health and safety. In the course of the discussions during the Belgrade Symposium, Member States reported, however, that the importance of market surveillance in IP enforcement was often underestimated and that more attention should be given to enhance its role in that respect.

40. Within the EU, Regulation (EC) No 765/2008⁹¹ introduces a framework for market surveillance of products to ensure that such products fulfill minimum requirements concerning, *inter alia*, health and safety.⁹² More specifically, UNECE Recommendation M on Standardization and Regulation Practice of November 4, 2008, entitled *Use of Market*

⁸⁸ See http://www.wto.org/english/tratop_e/dispu_e/cases_e/ds408_e.htm.

⁸⁹ See <http://pib.nic.in/newsite/erelease.aspx?relid=73554>.

⁹⁰ See

http://ec.europa.eu/taxation_customs/resources/documents/customs/customs_controls/counterfeit_piracy/legislation/guidelines_on_transit_en.pdf.

⁹¹ Regulation (EC) No 765/2008 of 8 July 2008 setting out the requirements for accreditation and market surveillance relating to the marketing of products and repealing Regulation (EEC) No 339/93; Official Journal of the European Union, August 13, 2008, L 218/30.

⁹² The market surveillance framework is currently under review; a public consultation on the strength and weaknesses of the current framework for market surveillance in the EU and on how to improve the framework was open until May 15, 2010

(http://ec.europa.eu/consumers/safety/projects/market_surveillance_enforcement_en.htm).

Surveillance Infrastructure as a Complementary Means to Protect Consumers and Users Against Counterfeit Goods addresses market surveillance in that context. The Recommendation, reproduced in Annex IV, stresses the need for adequate local protection and formulates a set of proposals. They include involving market surveillance authorities in the fight against counterfeit goods; providing a mechanism for enhanced cooperation and coordination between market surveillance authorities and other authorities concerned (e.g., customs, police, etc.) at the national level; and giving right owners the possibility of providing market surveillance officials and other state authorities information on counterfeit goods.

3.2 AGENCIES INVOLVED IN MARKET SURVEILLANCE IN THE DOMESTIC MARKET

41. There are many different authorities that are active in the field of market surveillance.⁹³ In the context of IP, this is presumably due to the broad impact that counterfeit and pirated goods may have on the market and on consumers. National legal structures and traditions resulted in a variety of approaches in that respect. Countries in transition identified the following agencies that may be involved in the protection of the domestic market against counterfeit goods: market inspectors (e.g., former Yugoslav Republic countries), police officers (e.g., Israel, Lithuania and Romania), consumer protection bodies (e.g., Bulgaria, Estonia and Latvia), anti-monopoly bodies (e.g., Kazakhstan), and tax/custom officers (e.g., Czech Republic, Hungary and the Russian Federation). Some examples are described in more detail below.

Market inspectorates

42. In TŕYR of Macedonia,⁹⁴ Montenegro⁹⁵ and Serbia⁹⁶ market inspectors have authority to enforce IPRs either *ex officio* or upon request of the right holder. Market inspectorates in the Czech Republic are authorized to search points of sale for counterfeit or pirated goods.⁹⁷

43. In Bosnia and Herzegovina, market inspectors have *ex officio* powers in cases of copyright infringements.⁹⁸ The competent market inspector, in addition to the General Authority Law and other regulations governing the inspection process,⁹⁹ is authorized temporarily or permanently to detain goods violating copyright and order their destruction at the expense of the infringer or the right holder. In the event of the production of goods violating copyright, inspectors have the authority temporarily or permanently to ban the production of such goods. Inspectors can also order the suspension of work and any other activity related to the production of goods violating copyright for 30 to 90 days. In addition, inspectors have the authority to impose a financial penalty for misdemeanors or to request the court to impose such penalty in case of a violation of the Law on Collective Management of Copyright and Related Rights. In this case, inspectors can also take measures provided by the General Authority Law.¹⁰⁰ Judicial procedures pertaining to misdemeanors, initiated by inspectors, may also result in the prohibition of all commercial

⁹³ For the purpose of this document, the term 'market surveillance' is used in a broad sense and includes police and customs.

⁹⁴ See Country Report 2010 – TŕYR of Macedonia, p. 2; Law of Industrial Property Right (2009), TŕYR of Macedonia, Article 317.

⁹⁵ Country Report 2011 – Montenegro (Market Inspection), slide 12.

⁹⁶ Articles 27, 29, 32 of Law of Special Powers for the Protection of Intellectual Property, Serbia.

⁹⁷ § 4 of Law No. 64/1986 Sb.

⁹⁸ Article 173 of Copyright and Related Rights Law, Bosnia and Herzegovina.

⁹⁹ Article 57 of Law on Inspection, Republic of Srpska, Official Gazette of Republic of Srpska 74/2010.

¹⁰⁰ Information provided by the Republic of Srpska Inspectorate, Country Report 2011 (Annex II) – Bosnia and Herzegovina, p. 2.

activities and the confiscation of goods and items that are related to the violations of the Copyright Law. In addition to the above, inspectors may file a criminal report to the police and to the prosecutor's office, especially in severe cases of infringement.¹⁰¹

44. In cases of trademark, industrial design or geographical indication infringements, market inspectors in Bosnia and Herzegovina are also competent authorities; however, their powers in cases of such infringements are not clearly defined. While conducting an inspection, market inspectors may only take measures provided for in the General Authority Law and other regulations governing the inspection process. Inspectors have the authority to impose financial penalties for misdemeanors or to request the court to impose such penalties. Judicial procedures initiated by inspectors for misdemeanors can also result in the prohibition of activities and the confiscation of goods and items that are related to infringements under the Trade Mark Law, the Law on Industrial Designs, and the Law on Geographical Indications.¹⁰² With regard to the protection of rights granted by the Patent Law and the Law on the Protection of Topographies of Integrated Circuits, market inspectors in Bosnia and Herzegovina do not have any powers.¹⁰³

45. The disposal of goods detained in the course of an inspection is handled by specialized bodies of the inspectorates in Bosnia and Herzegovina (Republic of Srpska, Federation of Bosnia and Herzegovina and Brcko District).¹⁰⁴

Police

46. In various countries in transition, market surveillance is under the responsibility of the police.¹⁰⁵ In Lithuania, for example, police have *ex officio* powers and can follow up on possible IP infringements upon their own initiative.¹⁰⁶ In that regard, police require the right holder to assist in the process of product identification, as they need evidence that the goods are counterfeit or pirated, that the right holder has suffered prejudice and that a commercial element was involved in order to bring the case forward to the responsible prosecuting authorities.

47. In Romania, police closely cooperate with national customs authorities in the context of market surveillance: the authorities have linked their IP databases and made them available to officers-in-charge throughout the country.¹⁰⁷ Right holders described this information-sharing as a very useful tool as information pertaining to a specific case can be retrieved quickly and easily.

48. At the regional level, the sharing of relevant information and knowledge between police forces of EU Member States may also take place through the European Law Enforcement Agency (Europol)¹⁰⁸ or INTERPOL.¹⁰⁹

¹⁰¹ Article 174 of Copyright and Related Rights Law, Bosnia and Herzegovina; Country Report 2011 – Republic of Srpska (Market Inspection), slide 5.

¹⁰² Trademark Law, Law on Geographical Indications and Law on Industrial Designs, Bosnia and Herzegovina; information provided by the Republic of Srpska Inspectorate, Country Report 2011(Annex II) – Bosnia and Herzegovina, p.1.

¹⁰³ Information provided by the Republic of Srpska Inspectorate, Country Report 2011 (Annex II) – Bosnia and Herzegovina, p. 2.

¹⁰⁴ Law on Republic stockpiles, Official Gazette of the Republic of Srpska, 1/2008, Article 3 (no information available for the Federation of Bosnia and Herzegovina and Brcko District).

¹⁰⁵ E.g., Israel (Country Report 2011 – Israel, p. 3.).

¹⁰⁶ Criminal Procedure Code of the Republic of Lithuania, Articles 166, 167; Criminal Code of the Republic of Lithuania, Article 204.

¹⁰⁷ [To be verified].

¹⁰⁸ See <https://www.europol.europa.eu/> for further information.

¹⁰⁹ See <http://www.interpol.int/> for further information.

Customs

49. In a number of jurisdictions, the customs administration is also responsible for market surveillance. This, right holders contended, could enable them to benefit from information and intelligence obtained at the border for an effective follow-up on local markets.

50. One example can be found in the Czech Republic where market surveillance is addressed in the Consumer Protection Act No. 634/1992 Coll. According to Section 23b and Section 23c of the Act, customs officers can act *ex officio* and are *inter alia* empowered to:

- Perform checks of legal entities and individuals who manufacture, store, distribute, import, export, purchase or supply products and goods (...) provided there is justified suspicion that products or goods infringe certain IPRs;
- Seize products and goods;
- Order the destruction of the goods or products that have been found to infringe IPRs (to be decided upon by the director of the customs office).¹¹⁰

3.3 ENHANCED INTER-AGENCY COOPERATION

51. In various countries in transition, several authorities are in charge of market surveillance, with sometimes limited or overlapping responsibilities. While this may be perceived as a weakness, Member States also suggested further developing mechanisms to mutually benefit from other agencies' experience and information. Vesting all market surveillance and IP enforcement powers in one agency, or strengthening the powers of all agencies involved, may be neither feasible nor desirable because it might require extensive and long legal reforms. Instead, it may be preferable to accept fragmented and incomplete powers and rather focus on strengthening the coordination and cooperation among the various agencies that have authority under the existing system.

3.4 STRATEGIC INTERACTION WITH RIGHT OWNERS

52. Some Member States described a need to further intensify cooperation and communication between market inspectorates and right holders, especially with a view to identification of goods, follow-up procedures and the storage and destruction of fake goods.¹¹¹ In that context, it was suggested to build on the experiences by customs authorities as they often have more established practices for effective cooperation and communication with right holders in the context of IP-infringing goods.¹¹²

3.5 RESOURCES; CAPACITY BUILDING

53. The lack of resources and the need for market surveillance agencies to prioritize between different categories of economic crime was described as a common problem by participating Member States. This once again touches on the problem of costs occurring in the context of the disposal of seized goods. Unlike the case of customs seizures, where the owner may frequently be unknown or unreachable, it was perceived more likely in the case of seizures in internal markets to identify the owners and to potentially retrieve costs.

¹¹⁰ Sections 23b and 23c Consumer Protection Act No. 634/1992 Coll.; amended by 229/2006 Coll.

¹¹¹ E.g., Country Report 2010 – Montenegro, p. 3; Summary 2011 – Customs Working Group, p. 2.

¹¹² Country Report 2010 – Hungary (Customs), p. 3.

54. In addition, Member States generally underscored the need to further develop the IP-related knowledge of authorities involved in market inspection. This would include acquiring the necessary know-how of the respective authorities to deal with IP infringements over the Internet as well as to assess whether IP infringements were linked to other crimes such as money laundering, smuggling and organized crime (these crimes would allow for a wider spectrum of remedies). Providing specific training for market inspectorates and other law enforcement agencies, especially in these fields, was suggested.¹¹³

4. CROSS-CUTTING ISSUES

4.1 DEMAND SIDE ISSUES

55. Several Member States reported that they had recognized a lack of consumer awareness with regard to buying counterfeit and pirated products and stressed that it was a high priority to tackle this issue.¹¹⁴ Malta is already active in this area and promotes public awareness on IPR matters through presentations and seminars that are jointly conducted by the Customs and the Commerce Departments.¹¹⁵ In the course of discussions during the Belgrade Symposium it was also suggested focusing on enhanced relationships between all stakeholders, and in particular between right holders and consumers with a view to developing effective strategies leading to a reduction in demand.

56. It is worth mentioning in this regard that according to a representative survey on consumers' awareness and attitudes in relation to counterfeiting in Hungary, commissioned by the Hungarian National Board Against Counterfeiting (NBAC) in 2011, the number of consumers who would buy counterfeit products without hesitation had decreased in comparison to last year's survey results. In addition, 60 per cent of the interviewees realized that counterfeiting had a negative impact on their country's fiscal revenue and 50 per cent were aware of the fact that it could also lead to job cuts.¹¹⁶ The surveys have been conducted yearly since 2009 and were presented at the eighth session of the WIPO Advisory Committee on Enforcement that met in Geneva on December 19 and 20, 2012.¹¹⁷

4.2 INTELLIGENCE SHARING

57. In the course of the 2011 WIPO Inter-Regional Symposium, the importance of specific intelligence systems to tackle counterfeiting and piracy effectively was the subject of several debates. It was suggested that such data collection should contain information *inter alia* on product details, routing of products and right holders' contact details (including e-mail addresses and telephone numbers). The Market Surveillance Working Group felt that it was not sufficient only to provide guidance on how to establish such an intelligence system; instead "a more 'hands-on' approach" would be required to help develop effective intelligence systems and strategies.¹¹⁸

¹¹³ E.g., Country Report 2010 – FYR of Macedonia, p. 3.

¹¹⁴ E.g., Country Report 2011 – Romania (Fraud Investigation), p. 14.

¹¹⁵ Country Report 2011 – Malta (Customs), p. 8.

¹¹⁶ Country Report 2011 – Hungary (Customs), p. 5.

¹¹⁷ The working documents are available here:

http://www.wipo.int/meetings/en/details.jsp?meeting_id=25015.

¹¹⁸ See also Country Report 2011 – Bosnia and Herzegovina (Taxation Authority), p. 3.

58. The Czech Republic has an IPR customs database that contains detailed information on seizures and approved applications for customs action and which is suitable for statistical and analytical purposes.¹¹⁹ Georgia is currently implementing the strategic risk management system to detect IPR infringements (Automated System for Customs Data (ASYCUDA), developed by the UN Conference on Trade and Development (UNCTAD)¹²⁰ that processes “manifests and customs declarations, accounting procedures, transit and procedures related to detaining the goods”.¹²¹ In Latvia, the customs authority uses an intranet-based electronic database with information on applications for action and detailed descriptions of counterfeit goods with a view to distinguishing them from original goods.¹²² In Romania, an IP intelligence database that is linked to the customs authority and accessible by officers throughout the country is available.¹²³ Slovakia, in partnership with EUROIRIS,¹²⁴ DATALAN¹²⁵ and C&M,¹²⁶ has set up an information website containing a database of decisions, legislation and literature on IP.¹²⁷ Reference is also made to IPM.¹²⁸

4.3 INTER-AGENCY COOPERATION

59. Participants of the Belgrade Symposium also underlined the importance of inter-agency cooperation with a view to reducing the number of IPR violations more effectively and provided several examples of successful cooperation:

- In Croatia, the police cooperate with several other agencies such as the State Attorney’s Office, the Agency for the Protection of Competition, the Agency for Personal Data Protection and the State Intellectual Property Office in cases of suspected IPR infringement.¹²⁹ Coordination mechanisms such as the Steering Committee, the IPR Enforcement Coordination Board and the Joint Operating Group for Cooperation in Enforcement of IPRs ensure close cooperation between the customs administration and the state inspectorate.¹³⁰
- Customs authorities in the Czech Republic cooperate with the Czech Trade Inspection, the police of the Czech Republic, trade offices and revenue authorities in the field of IPR protection.¹³¹
- In Georgia, an Inter-Agency Coordination Council for Copyright Protection was established in 2011. With the support of Georgia’s National Intellectual Property Center (Sakpatenti), the Council is in charge of developing an enforcement strategic plan, of reviewing and adopting specialized legislation and by-laws, and of conducting awareness-raising events and activities related to copyright enforcement.¹³²
- In Hungary, the NBAC, a common platform for governmental and non-governmental organizations, was set up in 2008 with a view to promoting

¹¹⁹ Country Report 2011 – Czech Republic, slide 10.

¹²⁰ See <http://www.asycuda.org/aboutas.asp>.

¹²¹ Country Report 2011 – Georgia, p. 11.

¹²² Country Report 2011 – Latvia, p. 6.

¹²³ The system was set up with the assistance of the Danish Patent Office, for further information, see http://www.anpcpps.ro/fisiere/evenimente/37/Raport_en.pdf.

¹²⁴ <http://www.euroiris.sk/>.

¹²⁵ <http://www.datalan.sk/>.

¹²⁶ <http://www.candm.sk/>.

¹²⁷ See <http://www.dusevnevlastnictvo.gov.sk/Forms/Opening.aspx?menu=50>.

¹²⁸ See para. 20.

¹²⁹ Country Report 2011 – Croatia, p. 1.

¹³⁰ Country Report 2012 – Croatia.

¹³¹ Country Report 2011 – Czech Republic, slide 8.

¹³² Country Report 2011 – Georgia, p. 15.

effective cooperation between public bodies and social and economic interest organizations that are active in the field of IP protection.¹³³

- In Israel, an inter-office enforcement forum has been established, bringing together the tax authority, the enforcement unit of the Ministry of Health, and representatives of the customs authority and the police investigation unit, the intelligence unit and the prosecutors. The forum serves as a platform for intelligence and information sharing; in addition, it organizes training programs for police and customs officers as well as for prosecutors.¹³⁴

¹³³ Country Report 2011 – Hungary (Customs), p. 6; see also para. 56.

¹³⁴ Country Report 2011 – Israel, p. 2.

- The Kyrgyz Republic created an Inter-Agency Commission on Combating IP Infringement, headed by the Deputy Prime Minister of the Kyrgyz Republic.¹³⁵ Its main purpose is coordinating and ensuring cooperation between specific government agencies with a view to taking action against IP infringement.¹³⁶
- TŕYR of Macedonia established a Coordinative Body for Intellectual Property that is composed of representatives from several ministries and aims to ensure a coordinated approach with a view to protecting and enforcing IP rights. It is also in charge of developing an IP-protection policy and proposes measures to further improve the IP enforcement system.¹³⁷
- Romania set up a Working Group on Intellectual Property Rights that is composed of IP enforcement agencies and right holders' organizations competent in the field of IP rights. Discussion points are *inter alia* improving the legal and institutional IP framework, cooperation with the private sector with a view to further improving and supporting IP enforcement, and other issues linked to IP (e.g., unfair competition and the promotion of innovation).¹³⁸
- Slovakia established an inter-ministerial commission to coordinate cooperation in the fight against counterfeiting and piracy.¹³⁹

4.4 SMALL QUANTITIES OF GOODS

60. It was recognized in several Member States that right holders did not support taking action in cases of small quantities of goods detained by customs authorities and suspected of being counterfeit or pirated.¹⁴⁰ In addition, customs officers reported that the growing number of small consignments demanded a huge amount of resources.¹⁴¹ In the framework of the Belgrade Symposium, it was therefore suggested that right holders should state in the customs application a minimum number of products for action by customs. In this context, a Code of Conduct for right holders to ensure their appropriate engagement following a seizure was also discussed and further guidance was requested in this regard.

4.5 COUNTERFEITING AND PIRACY OVER THE INTERNET

61. Several Member States mentioned that counterfeiting and piracy over the Internet had become an increasing and serious problem.¹⁴² In particular in cases in which the Internet content provider was not situated in an EU Member State, it was almost impossible to take action against the IP-infringing content.¹⁴³ Member States reported that there was a lack of technical and IT knowledge as well as the necessary technical equipment (e.g., Internet access) discouraging the competent authorities from dealing with such cases.¹⁴⁴ In addition, legislation was considered insufficient to tackle the issue of counterfeiting and piracy effectively over the Internet. Member States requested further guidance pertaining thereto.

¹³⁵ Country Report 2011 – Kyrgyz Republic, slide 12.

¹³⁶ Country Report 2011 – Kyrgyz Republic, slide 17.

¹³⁷ Country Report 2011 – TŕYR of Macedonia, slide 3, see www.ippo.gov.mk.

¹³⁸ Country Report 2011 – Romania (Fraud Investigation), p. 4.

¹³⁹ Country Report 2011 – Slovakia (Trade Inspection), slide 14.

¹⁴⁰ See, e.g., Country Report 2011 – Croatia, p. 3.

¹⁴¹ See, e.g., Country Report 2011 – Malta (Customs), p. 8.

¹⁴² See, e.g., Country Report 2011 – Croatia, p. 5.

¹⁴³ Country Report 2011 – Hungary (Customs), p. 5.

¹⁴⁴ See, e.g., Country Report 2011 – Hungary (Customs), p. 6.

ANNEX I

IP ENFORCEMENT IN COUNTRIES IN TRANSITION – LEGAL FRAMEWORK

This Annex compiles references to the legal frameworks that are relevant in the context of IP enforcement in countries in transition. It is based on information provided in the country reports that were presented during the 2010, 2011 and 2012 WIPO Inter-Regional Symposia and supplemented by WIPO and WTO sources.¹⁴⁵ The overview does not claim to be complete.

A. TRIPS AGREEMENT

WTO Member States are bound by their obligations under the TRIPS Agreement.¹⁴⁶ Part III of the Agreement establishes obligations that are relevant for effective IP enforcement, and is divided into five Sections. While this document focuses on Section 4 of the Agreement, setting out Special Requirements related to Border Measures, Member States have also provided extensive additional information on IP infringements in general. These references are included in this Annex.

B. EU – LEGAL FRAMEWORK

In addition, legislation on IP enforcement of EU Member States has to comply with the Enforcement Directive 2004/48/EC¹⁴⁷ and with the Customs Regulation (CE) No. 1383/2003 (with the new Regulation (EU) No. 608/2013, as from January 1, 2014)¹⁴⁸.

A first assessment of the implementation and impact of the Enforcement Directive was released by the Commission on December 22, 2010.¹⁴⁹

¹⁴⁵ See footnote 2, above.

¹⁴⁶ Text available at: http://www.wto.org/english/tratop_e/trips_e/t_agm0_e.htm.

¹⁴⁷ See also Statement (2005/295/EC) by the Commission concerning Article 2 of Directive 2004/48/EC of the European Parliament and of the Council on the enforcement of intellectual property rights; Official Journal of the European Union, April 13, 2005, L94/37.

¹⁴⁸ Regulation (EU) No. 608/2013 of the European Parliament and of the Council of 12 June 2013 concerning customs enforcement of intellectual property rights and repealing Council Regulation (EC) No. 1383/2003, OJEU, 2013, L 181/15. It entered into force on July 19, 2013, and will apply as from January 1st, 2014, except for some provisions already applicable as from July 19, 2013 or applicable as from a later date (Article 40).

¹⁴⁹ Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions; Application of the Enforcement Directive (<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:0779:FIN:EN:PDF>).

C. NATIONAL LEGISLATION

1. EU MEMBER STATES

1.1. Bulgaria

1.1.1. Civil and Administrative Judicial Procedures and Remedies, Provisional Measures

- Civil Procedure Code
 - Right holders can institute actions before the Sofia City Code.¹⁵⁰
- Administrative Penal Protection (APP) judicial system
 - Regional Court – appeal against injunctions of the President of the Patent Office.
 - District Administrative Court – appeal against the first instance court decision.¹⁵¹
- Law on Marks and Geographical Indications, Art. 81-88; Law on Industrial Designs, Art. 65-70
 - Administrative Penal Protection for infringed design or trademark rights.
 - Fast, efficient, timely, entailing small expenditure for the right holders.¹⁵²

1.1.2. Requirements relating to Border Measures (suspension, *ex officio* action, remedies)

- Law on Marks and Geographical Indications¹⁵³
- Law on Industrial Designs¹⁵⁴

1.1.3. Criminal Procedures, Penalties

- Bulgarian Criminal Code
 - Action can be brought before the regional court competent to hear the case.¹⁵⁵

1.1.4. Market Surveillance [No information available]

1.2. Croatia¹⁵⁶

1.2.1. Civil and Administrative Judicial Procedures and Remedies

- Copyright Law No. 173, last amendment 2007; V. Protection of Rights in the Case of Infringement
 - Article 177: Claim for cessation of infringement.
 - Article 178: Claim for compensation of damages.

¹⁵⁰ Country Report 2010 – Bulgaria, PPP, slide 3.

¹⁵¹ Country Report 2010 – Bulgaria, p. 3.

¹⁵² Country Report 2010 – Bulgaria, p. 1.

¹⁵³ Country Report 2010 – Bulgaria, p. 2.

¹⁵⁴ Country Report 2010 – Bulgaria, p. 2.

¹⁵⁵ Country Report 2010 – Bulgaria, p. 3.

¹⁵⁶ Croatia is a Member State of the European Union since July 1st, 2013.

- Article 179: Claim for compensation for unauthorized use and claim for benefits acquired through unauthorized use.
- Article 180: Claim for publication of court decision.
- Article 181: Claim for destruction, alteration or delivery of copies resulting from infringement and objects by means of which infringement is committed.
- Article 183: Penalty (entitlement to claim payment of up to a double amount of remuneration).
- Article 185: Provisional measures.
- Patent Act and the Act on Amendments to the Patent Act, last amendment 2010, XI. Enforcement of Rights; 1. Civil Protection of Rights
 - Article 90: Infringement of the inventor's moral right.
 - Article 91: Infringement of a patent (entitlement to civil action before the competent court).
 - Article 92: The action for the infringement of a patent can *inter alia* be (i) the establishment of the existence of an infringement; (ii) prohibition of specified acts infringing the patent, (iii) compensation for damages in certain cases, (iv) seizure and destruction.
 - Article 94: Provisional measures.
 - Article 97: Punishment (fine) for misdemeanor (infringement).
- Trademarks Act and Act on Amendments to the Trademarks Act, Law No. 173; last amendment 2009; XI Civil Protection; XII Provisions concerning misdemeanors
 - Article 75: Action concerning the infringement of rights, *inter alia* (i) establishment of the existence of the infringement of a trademark, (ii) prohibition of the committed or intended infringement of a trademark, (iii) compensation for damages.
 - Article 76: On request of the plaintiff, court may order destruction.
 - Article 78: Provisional measures.
 - Article 79: Compensation for damage.
 - Article 80: Punishment (fine) for misdemeanor (infringement).
- Enforcement (Judicial Execution) Law, 1996 (Enforcement of IP and Related Laws; text not available)
- Enforcement (Civil Procedures) Law 1991 (Enforcement of IP and Related Laws, text available in Croatian only)
- Law on Protection of Inventions, Technical Improvements and Characters Distinguishing¹⁵⁷
- Act on Protection of Topographies of Semiconductor Products¹⁵⁸
- Law on Geographical Indications¹⁵⁹

¹⁵⁷ Country Report 2011 – Croatia, p. 2.

¹⁵⁸ Country Report 2011 – Croatia, p. 2.

¹⁵⁹ Country Report 2011 – Croatia, p. 2.

- Industrial Designs Law¹⁶⁰
 - Law on Industrial Property¹⁶¹
- 1.2.2. Requirements related to Border Measures (suspension, *ex officio* action, remedies)
- Copyright Law No. 173, last amendment 2007; V. Protection of Rights in the Case of Infringement
 - Article 186 – Customs Measures: “On a request of the right holder of a copyright or a related right of a collective rights management association (...) the customs authorities shall take appropriate measures (...) regarding the procedure in respect of goods infringing the intellectual property rights.”
- 1.2.3. Criminal Procedures, Penalties
- Criminal Code (currently under review)¹⁶²
 - Article 229: Violation of copyright or of the rights of performing artists.
 - Article 230: Illicit use of an author’s work or an artistic performance.
 - Article 231: Violation of the rights of producers of audio or video recordings and the rights related to radio broadcasting.
 - Article 232: Violation of patent rights.
 - Article 285: Infringement of industrial property rights and unauthorized use of another’s company name.
 - Criminal Procedure Act (amended in 2011)
 - The Act authorizes specific action to gather evidence in cases of certain IPR infringements (surveillance and recording of telephone conversations and computer data, secret surveillance, etc.).
 - Copyright Law No. 173, last amendment 2007; V. Penal Provisions; 2. Misdemeanors:
 - Article 189: Punishment (fine) for infringement of copyright and related rights.
- 1.2.4. Market Surveillance [No information available]

1.3. Cyprus

1.3.1. Civil and Administrative Judicial Procedures and Remedies

- Copyright Law No. 59 of 1976 as consolidated 1993
 - Article 13 (4): “Subject to the provisions of this Law, infringements of copyright shall be actionable at the suit of the owner of the copyright, and in any action for such an infringement all such relief, by way of damages, injunction, accounts or otherwise, shall be available to the plaintiff as is available in any corresponding proceedings in respect of infringement of other rights including the

¹⁶⁰ Country Report 2011 – Croatia, p. 2.

¹⁶¹ Country Report 2011 – Croatia, p. 2.

¹⁶² Country Report 2011 – Croatia, p. 2.

right of delivery up to the owner of copyright, who is deemed to be their owner, of all the copies which appear to the Court to be infringing copies of the copyright in the work.”

- Articles 14 *et seq.*: “Penalties and summary proceedings in respect of dealings which infringe copyright”.¹⁶³
 - Trademarks Law (Cap. 268, No. 63 of 1962), as consolidated 1990 “Registration, infringement and other substantive issues”
 - Article 6: Infringement of registered trademarks.
 - Patent Law
 - Section 60 (1), (2): Provision for protection and provisional protection in case of patent infringement; at the request of the right holder.
 - Section 61 (2): Compensation for damages.¹⁶⁴
 - Civil Procedure Rules
 - Order 28: Evidence (compliant with Article 44 of the TRIPS Agreement).¹⁶⁵
- 1.3.2. Requirements related to Border Measures (suspension, *ex officio* action, remedies)
- Trade Descriptions Law¹⁶⁶
 - Customs Law¹⁶⁷
 - Draft Law “on the control against the free circulation of counterfeit and pirated goods”
 - Suspension of customs clearance upon an application by the right holder, in line with Articles 51 *et seq.* of the TRIPS Agreement.¹⁶⁸
- 1.3.3. Criminal Procedures, Penalties
- Copyright Law
 - Section 14: Fine up to 1500 Cypriot pounds or imprisonment up to two years.¹⁶⁹
 - Trade Descriptions Law
 - Sections 16-20: Penalties up to 750 Cypriot pounds, imprisonment up to 12 months.¹⁷⁰
 - Customs and Excise Law
 - Sections 40, 48 (4), 49 (2): Penalty up to three times the cost of the goods and /or imprisonment up to two years.¹⁷¹

¹⁶³ See http://www.wto.org/english/tratop_e/trips_e/intel8_e.htm, Cyprus (Document dated 2000).

¹⁶⁴ *Ibid.*

¹⁶⁵ *Ibid.*

¹⁶⁶ *Ibid.*

¹⁶⁷ *Ibid.*

¹⁶⁸ *Ibid.*

¹⁶⁹ *Ibid.*

¹⁷⁰ *Ibid.*

¹⁷¹ *Ibid.*

- Prosecution upon right holders request/*ex officio*¹⁷²

1.3.4. Market Surveillance [No information available]

1.4. Czech Republic

1.4.1. Civil and Administrative Judicial Procedures and Remedies, Provisional Measures

- Industrial Property & Enforcement Law No. 221, 2006.

1.4.2. Requirements related to Border Measures (suspension, *ex officio* action, remedies)

- Enforcement Act N° 358/2004, 2004
 - Part 2: Applications for action by customs office.
 - Part 3: Detection of goods, the manufacture or modification of which infringed IPRs.
 - Consumer Protection Act No. 634/1992, amended by 22/2006 Coll.
 - Act No. 191/1999 Coll – Measures adopted in relation to goods from third countries¹⁷³
 - Measures related to the import and export of goods infringing certain intellectual property rights.
 - Customs authorities are authorized to act *ex officio* or upon right holders' application.¹⁷⁴
 - Simplified procedures.¹⁷⁵
 - Act no. 634/1992 Sb. – Measures adopted in relation to European Community Goods¹⁷⁶
- #### 1.4.3. Criminal Procedures, Penalties
- Criminal Procedures, Penal Code N° 140 (available in Czech only)
- #### 1.4.4. Market Surveillance
- Market inspectors and tax/customs officers are involved in market surveillance
 - Market surveillance is regulated by the Consumer Protection Act No. 634/1992 Coll.
 - Law No. 64/1986 Sb. § 4

1.5. Estonia

1.5.1. Civil and Administrative Judicial Procedures and Remedies, Provisional Measures

- Administrative Procedure Act, last amendment 2012

¹⁷²

ibid.

¹⁷³

Country Report 2011 – Czech Republic, slide 3.

¹⁷⁴

Country Report 2011 – Czech Republic, slide 5.

¹⁷⁵

Country Report 2011 – Czech Republic, slide 5.

¹⁷⁶

Country Report 2011 – Czech Republic, slide 7.

- Code of Civil Procedure, last amendment 2012
 - Principles of Legal Regulation of Industrial Property Act, last amendment 2012
 - Copyright Act, last amendment 2012
 - Sections 81, 83: Civil and administrative liability.
 - Geographical Indications Protection Act, last amendment 2012
 - Implementation of Convention on Grant of European Patents Act, last amendment 2002
 - Industrial Design Protection Act, last amendment 2012
 - Patents Act, last amendment 2012
 - Section 53 (2): “Any person having, through his culpable conduct, infringed the patentees exclusive right, shall bear administrative or criminal liability in the cases provided by law”.
 - Plant Propagation and Plant Variety Rights Act, last amendment 2012
 - Protection of Layout Designs of Integrated Circuits Act, last amendment 2012
 - Trade Marks Act, last amendment 2012
 - Utility Model Act, last amendment 2012
- 1.5.2. Requirements related to Border Measures (suspension, *ex officio* action, remedies)
- Customs Act, last amendment 2012
 - Sections 26, 65 (4): Interdiction to import/export counterfeit goods.
- 1.5.3. Criminal Procedures, Penalties
- Penal Code, last amendment 2012
 - Section 222: Manufacturing of pirated copies.
 - Section 223: Unlawful direction of works or objects of related rights towards the public.
 - Section 224: Trade in pirated copies.¹⁷⁷
 - Copyright Act
 - Sections 82: Criminal liability.
- 1.5.4. Market Surveillance
- Act No. 634/1992 Coll. on consumer protection

1.6. Greece

1.6.1. Civil and Administrative Judicial Procedures and Remedies

- Law 3542/2007, Harmonization of Greek legislation with Directives 2001/84/EC and 2004/48/EC of the European Parliament and the Council of September 27, 2001 and April 29, 2004 on the Resale Right for the

¹⁷⁷

Country Report 2010 – Estonia, p. 1.

Author of an Original Work and Enforcement of Intellectual Property Rights and other relevant Provisions.

- Copyright (Judicial Procedures) Law 1997, No. 2497
 - Article 3 (Organization of Courts, Administration of Justice and other Provisions): “26.a. The First Instance of Athens, Piraeus and Thessaloniki include a special chamber that tries copyright cases. Regular judges specialized in copyright matters are appointed to this chamber, which is set up in the said courts according to the procedure provided for by law concerning the constitution of courts’ chambers in general.”
- Enforcement (Principles and Rules, development of main trade and market sectors) Law No. 3377, 2005
 - Article 11: Seizure/destruction of products illegally imitated; enforced by officers of the municipal police or officers of the Special Control Service; depending the mayor’s decision, violators will be liable to pay a fine.

[No further information available]

1.7. Hungary

1.7.1. Civil and Administrative Judicial Procedures and Remedies

- Enforcement Civil Code (Act No. IV of 1959)
 - Sections 86, 87: The Civil Code regulates the status and competence of natural and legal persons, the ownership rights, the law of contracts, the liability for damage; it also contains basic rules on the protection of intellectual property.
 - Court structure: Infringement of industrial property rights: Metropolitan Court of Budapest, infringement of Copyright: county courts.¹⁷⁸
 - Act XXXIII of 1995 on the Protection of Inventions and Patents
 - Act XI of 1997 on the Protection of Trademarks and Geographical Indications
 - Act XLVIII of 2001 on the Legal Protection of Designs
 - Act XXXVIII of 1991 on the Protection of Utility Models
 - Act LXXVI of 1999 on Copyright
 - Act LVII of 1996 on the Prohibition of Unfair and Restrictive Market Practices
 - Code on Civil Procedure (Act III of 1952)
 - Act LIII of 1994 on Judicial Execution
- 1.7.2. Requirements related to Border Measures (suspension, *ex officio* action, remedies)

¹⁷⁸

Country Report 2010 – Hungary (Customs), p. 2.

- Government Decree No. 371/2004 on customs actions infringing certain intellectual property rights are applied together with the relevant Community legislation (Council Regulation (EC) No 1383/2003, Commission Regulation (EC) No 1891/2004).¹⁷⁹

1.7.3. Criminal Procedures, Penalties

- Enforcement Criminal Code (Act IV of 1978)
 - WIPO lex notes¹⁸⁰ state: “The Criminal Code qualifies as a crime and punishes false indications of goods and infringement with an imprisonment up to three years. Infringement of copyright and neighboring rights is ranked as crime if the act causes pecuniary loss, the most serious penalty of which is an imprisonment of five years.”¹⁸¹
 - Section 329A: Infringement of Copyright and Certain Rights Related to Copyright.
 - Section 329B: Compromising or Defrauding the Integrity of Technological Measures for the Protection of Copyright and Certain Rights Related to Copyright.
 - Section 329D: Violation of Industrial Design Rights.
- Court structure: Local courts are competent.¹⁸²

1.7.4. Market Surveillance [No information available]

1.8. Latvia

1.8.1. Civil and Administrative Judicial Procedures and Remedies

- Enforcement (Civil Procedures) Law as consolidated 2007
 - Chapter 30: Matters regarding infringement and Protection of Intellectual Property Law.
- Latvian Administrative Offences Code
 - Article 201.10: Individuals can be fined from 50 Latvian Lat to 250 Latvian Lat, companies from 500 Latvian Lat to 5000 Latvian Lat, with confiscation of the goods.¹⁸³
- Copyright Law, as consolidated in 2007
 - Section 68 (2), (3): Copyright holders and neighboring right holders or their representatives may initiate proceedings.
 - Section 69: Entitlement to require compensation for damage.
- Patents Act 1995
 - Art. 43 (2): “In case of violation, the rights (...) may be protected in the same procedure by which copyrights are protected.”

¹⁷⁹ Ibid.

¹⁸⁰ In some cases, Member States provided notes summarizing individual laws.

¹⁸¹ WIPO Lex, <http://www.wipo.int/wipolex/en/details.jsp?id=2199>.

¹⁸² Country Report 2010 – Hungary (Customs), p. 2.

¹⁸³ Country Report 2010 – Latvia, p. 3.

1.8.2. Requirements related to Border Measures (suspension, *ex officio* action, remedies)

- Regulation No. 112 of Cabinet of Ministers of the Republic of Latvia
 - “Procedures for Customs Control and Supervision Measures for Protection of Intellectual Property Rights” (ex-officio activities, sample withdrawal procedures, communication between customs and right holders, storage arrangements of detained goods, destruction and simplified destruction procedures, information exchange system).¹⁸⁴

1.8.3. Criminal Procedures, Penalties

- Enforcement (criminal procedures) Code, 1998
 - Article 147: Violation of Invention Rights.
 - Article 148: Violation of Copyrights and Related Rights.
 - Article 149: Illegal operations with objects of copyrights and related rights.

1.8.4. Market Surveillance [No information available]

1.9. Lithuania

1.9.1. Civil and Administrative Judicial Procedures and Remedies

- All available in Lithuanian only: Industrial Property (Forms) Order 2010; Copyright (Moral Rights) Resolution 2003; Geographical Indications (Agricultural Products and Foodstuff) Regulation 2009; Copyright (Reprographic Reproduction) Resolution 2002; Trademarks (Implementation) Order 2000; Integrated Circuits Rules 1999.

1.9.2. Requirements related to Border Measures (suspension, *ex officio* action, remedies)

- Enforcement (Border Measures) Law 2000 on the Protection of Intellectual Property in the Field of Import and Export of Goods
 - Article 5 *et seqq.*: The right holder is liable for all costs related to storage, transportation and destruction of the counterfeit goods. The right holder can recover the costs on the basis of civil claims in court, should the infringing party refuse to meet these costs. The customs authority has the power to recuperate its costs from the infringing party.
- Enforcement (Administrative Infringements) Code as modified 2010
 - Article 214 (10): Copyright and related rights infringement.
 - Article 214 (27): Industrial Property Rights infringement.

1.9.3. Criminal Procedures, Penalties

- Criminal Code of the Republic of Lithuania
 - Article 204.
- Criminal Procedure Code of the Republic of Lithuania

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- Article 166, 167.

1.9.4. Market Surveillance [No information available]

1.10. Malta

1.10.1. Civil and Administrative Judicial Procedures and Remedies

- Civil Code, Chapter 16 (Articles 960, 962(1), 966, 992, 993)
 - Private agreement signed by the importer/owner of IP-infringing goods and the right holder, where the former agrees to abandon the infringing goods.¹⁸⁵
- Code of Organization and Civil Procedure
 - Section 873 (7): Injunctions, Provisional Measures.¹⁸⁶
- Patents Act of 2000
 - Compensation for damages.¹⁸⁷
- Copyright Act of 2000
 - Compensation for damages.¹⁸⁸
- Trademark Act of 2000
 - Section 14 (1), (2): Civil and administrative procedures in case of infringement.¹⁸⁹

1.10.2. Requirements related to Border Measures (suspension, *ex officio* action, remedies)

- Enforcement (Cross-Border Measures) Law (Chapter 414 (Intellectual Property Rights Act)), 2000
 - Article 4: Entry into Malta, export/re-export, release for free circulation, temporary importation, placing in a free zone or free warehouse of goods found to be infringing an IPR shall be prohibited.
 - Article 5: Right holder may lodge an application for action by the customs authorities.
 - Article 6: *Ex officio* action.
 - Article 8: Remedies.
 - Article 11: Liability to a fine.
 - Article 12: Proceedings to be taken before the Magistrates Court.

1.10.3. Criminal Procedures, Penalties

- Criminal Code, Chapter 9 of the Laws of Malta

¹⁸⁵ Country Report 2011 – Malta, p. 6.

¹⁸⁶ See http://www.wto.org/english/tratop_e/trips_e/intel8_e.htm, Malta (Document dated 2000).

¹⁸⁷ Ibid.

¹⁸⁸ Ibid.

¹⁸⁹ Ibid.

- Article 298: Commercial Fraud (aim: consumer protection from deceptive marks or emblems): four to 12 months' imprisonment; *ex officio* procedure.
- Article 298B: Violation of copyright (aim: protection of the rights enjoyed by the right holder/s); up to one year's imprisonment and/or fine not exceeding 11,646.87 Euros; complaint of injured party necessary.
- Trademarks Act, Chapter 416 of the Laws of Malta
 - Unauthorized use of trademark (aim: protection of trademark proprietor); up to three years' imprisonment and/or fine not exceeding € 23,293.73 Euros; trademark must be registered; *ex officio* procedure.¹⁹⁰

1.10.4. Market Surveillance [No information available]

1.11. Poland

1.11.1. Civil and Administrative Judicial Procedures and Remedies

- Industrial Property Law, as consolidated 2007
 - Title IX: Enforcement of Claims in Civil Law Procedure.
- Copyright Act No. 83, 1994
 - Chapters 8 and 9: Protection of personal and economic rights, *inter alia* compensation for damages.

1.11.2. Requirements related to Border Measures (suspension, *ex officio* action, remedies) [No information available]

1.11.3. Criminal Procedures, Penalties

- Industrial Property Law, as consolidated 2007
 - Title X: Penal Provisions.
- Copyright Act No. 83, 1994
 - Chapter 14: Criminal Liability.

1.11.4. Market Surveillance [No information available]

1.12. Romania

1.12.1. Civil and Administrative Judicial Procedures and Remedies

- Romanian Civil Code, 2011
- Civil Procedures Code, 2013
- Government Ordinance No. 25/2006 on Strengthening the Administrative Capacities of the Romanian Copyright Office
- Government Decision No. 1095/2000 on the Approval of Methodological Norms regarding the Deposit and Destruction of the Confiscated Media, Materials, Phonograms Holographic Stamps, and Covers

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1.12.2. Requirements related to Border Measures (suspension, *ex officio* action, remedies)

- Enforcement Law No. 202/2000 on Specific Measures for the Enforcement of Intellectual Property Rights in Customs Clearance
 - Chapter II: Intervention can be requested by right holder.
 - Chapter III: Measures within the competences of the customs authorities (suspension of customs clearance, detention of products).
 - Chapter IV: General Customs Directorate may undertake *ex officio* actions.
 - Chapter VII: Sanctions.
- Law No 344/2005 on certain measures to ensure the observance of IPRs during customs clearance operations.
- Government Decision no 88/2006 laying down provisions for the implementation of Law no 344/2005 (amended by G.D. no. 946/2007)

1.12.3. Criminal Procedures, Penalties

- Penal Code, 2013
- Penal Procedure Code, 2013
- Law No. 8/1996 on Copyright and Neighboring Rights, *inter alia*
 - Art. 139.6: Pirated goods.
 - Art. 139.7: Refusal to provide information on the origin of pirated goods.
 - Art. 139.8: Internet piracy.
 - Art. 139.9: Software piracy.
 - Art. 140: Unlawful reproduction; distribution, rental or import, on domestic market.
 - Art. 141: Unlawful assumption of authorship of a work or unlawful disclosure of a work.
- Law No. 64/1991 on patents, republished
 - Art. 58: Unlawful assumption re the status of inventor.
 - Art. 59: Unauthorized manufacture, use or putting into circulation of the subject matter of a patent, or any other infringement of patent rights.
 - Art. 60: Disclosure of information contained in patent applications prior to publication.
- Law No. 84/1998 on Trademarks and Geographic Indications, modified and amended, *inter alia*
 - Art. 90: Trademark counterfeiting.
- Law No. 129/1992 on Designs and Industrial Models, republished
 - Art. 49: Unlawful assumption of the status of an author of an industrial design.

- Art. 51: Unlawful reproduction of an industrial design for the purpose of manufacturing products of an identical appearance; the manufacture, offering for sale, selling, importing, using or the storing of such products for the purpose of putting them into circulation or using them, without having the consent of the owner or the certificate of registration of the industrial design.
- Law No. 16/1995 on the protection of topographies of semiconductor products
 - Art. 38: Unauthorized commercial exploitation or production of a protected topography or semiconductor product embedding a protected topography or a circuit element embedding such a semiconductor product
- Law No. 255/1998 on New Plant Varieties
 - Art. 40: Offences of counterfeiting and disclosure.

1.12.4. Market Surveillance

- In Romania, the National Authority for Consumer Protection acts to prevent and combat practices which damage the health, safety or economic interests of consumers. It also evaluates the systems of surveillance of products and services.¹⁹¹
- The Romanian Police carries out activities to identify products on the internal market which do not comply with IPR legislation, and to identify the persons responsible for their distribution.¹⁹²
- Market surveillance in Romania is also done through market inspectors from, *inter alia*, the Ministry of Agriculture, the Ministry of Economy, and the State Inspectorate for Construction.¹⁹³
- Government Ordinance No 21/1992 on consumer protection, republished, modified and completed.¹⁹⁴

1.13. Slovakia

1.13.1. Civil and Administrative Judicial Procedures and Remedies

- Patents Act No. 435, as consolidated 2009
 - Article 32: In case of infringement of rights entitlement to claim prohibition of infringement.
 - Article 32 a: Right of information.
 - Article 33: “Disputes about rights pursuant to this Act shall be heard and ruled by courts, unless this Act states otherwise”; infringing party bears costs.
 - Article 34: Preliminary injunction.
- Decree No. 223/2002 Coll. implementing the Act No. 435
- Act No. 506/2009 Coll. on Trademarks

¹⁹¹ Country Report 2011 (Annex) – Romania (Fraud Investigation), p. 3.

¹⁹² Country Report 2011 (Annex) – Romania (Fraud Investigation), p. 3.

¹⁹³ Country Report 2011 (Annex) – Romania (Fraud Investigation), p. 3.

¹⁹⁴ Country Report 2011 – Romania (Fraud Investigation), p. 8.

- Act No. 444/2002 Coll. on Designs as amended
- Decree No. 629/2002 Coll. implementing the Act No. 444
- Act No. 517/2007 Coll. on Utility Models
- Act No. 469/2003 Coll. on Designations of Origin for Products and on Geographical Indications for Products

1.13.2. Requirements related to Border Measures (suspension, *ex officio* action, remedies)

- National Act No. 200/2004 on measures against infringing intellectual property rights at the import, export and re-export (amended in 2010)
- Slovak customs administration ensures enforcement of IPRs with regard to import/export under EU and national legislation. Since 2009, customs administration has the power to detain or seize suspicious goods.¹⁹⁵

1.13.3. Criminal Procedures, Penalties

- Enforcement Act No. 300 (Criminal Code), 2005
 - Section 281: Infringement of trademark, designation of origin and trade name.
 - Section 282: Infringement of industrial rights.
 - Section 283; Infringement of copyright.
- Copyright Act, 618/2003 Coll.

1.13.4. Market Surveillance [No information available]

1.14. Slovenia

1.14.1. Civil and Administrative Judicial Procedures and Remedies

- Courts Act
 - Article 103 (2): District Court of Ljubljana has exclusive territorial jurisdiction at first instance.¹⁹⁶
- Code of Civil Procedure
 - Article 227 (1) Evidence (in line with Article of the 43 TRIPS Agreement).¹⁹⁷
- Industrial Property Act
 - Article 121: Injunctions; compensation for damages; destruction/recall from channels of commerce of infringing goods.
 - Article 123: Provisional measures.
 - Article 124: Right of information (in line with Article 47 of the TRIPS Agreement).¹⁹⁸
- Copyright and Related Rights Act

¹⁹⁵ Country Report 2010 – Slovakia PPT, slide 4.

¹⁹⁶ See Checklist of Issues on Enforcement, Document IP/N/6/SVN/1 /Rev. 1 of July 27, 2007; accessed at <http://docsonline.wto.org>.

¹⁹⁷ *Ibid.*

¹⁹⁸ *Ibid.*

- Article 167: Injunctions; destruction/recall from channels of commerce of infringing goods.
- Article 168: Compensation for damages.
- Article 170: Provisional measures.
- Article 172: Right of information (in line with Article 47 of the TRIPS Agreement).¹⁹⁹

1.14.2. Requirements related to Border Measures (suspension, *ex officio* action, remedies)

- Act Implementing the Customs Regulations of the European Community, Articles 68 – 76 (in line with Article 51 *et seqq.* of the TRIPS Agreement)²⁰⁰

1.14.3. Criminal Procedures, Penalties

- Enforcement (KZ-1, Criminal Code) Code 2008
 - Article 233: Unauthorized use of another's mark/model (imprisonment up to three years).
 - Article 234: Unauthorized use of another's patent or topography (imprisonment up to three years).
 - Article 256: Production of counterfeits (fine/imprisonment up to one or two years).
- Penal Code :
 - Article 158, 159, 309: Unauthorized use of copyright.
 - Article 238: Unauthorized use of industrial designs.
 - Article 239: Unauthorized use of inventions and topographies.²⁰¹
- Copyright and related Rights Act
 - Article 168: Punitive damages.²⁰²
- Courts Act:
 - Article 99: District courts have jurisdiction.
 - Police, District State Prosecutors are responsible for initiating criminal procedures (*ex officio* or through a complaint).²⁰³

1.14.4. Market Surveillance [No information available]

2. WTO (NON-EU) MEMBER STATES

2.1. Albania

2.1.1. Civil and Administrative Judicial Procedures and Remedies

- Industrial Property Law No. 9947, 2008

¹⁹⁹ *Ibid.*

²⁰⁰ *Ibid.*

²⁰¹ *Ibid.*

²⁰² *Ibid.*

²⁰³ *Ibid.*

- Chapter 8 'infringement'; Article 52: Acts that constitute an infringement; Article 53: right of court proceedings in case of infringement.
- Chapter 9 'procedure before the Court'; Article 55 *et seqq.*: Evidence, costs, procedural rules according to Code of Civil Procedure, sanctions, injunction, compensation for damages).
- Chapter 10 'Provisional and Protective Measures'; Article 68: Provisional injunctions Measures at the border in case of complaint by patent owner.
- Enforcement (Civil Procedures Code) Law No 8491, 1999 (available at WIPO Lex in Albanian only)
- Enforcement (Civil Procedures Code) Law No. 8116, 1996
 - WIPO Lex notes²⁰⁴: "Article 21 states that when the law allows and the circumstances of the case dictate the taking of a judicial decision, independently from the knowledge of one party, the latter has the right to appeal in a judicial way against the decision made."²⁰⁵
 - WIPO Lex notes: "In article 170, seventh paragraph, it is stated that "as preliminary actions the judge decides, according to the case, the provision of the seizure of the goods or other provisional relief".²⁰⁶
 - WIPO Lex notes: "Article 173 underlines that, when it is necessary to mention trade, invention secrets, the publication of which would affect interest protected by law, a session behind closed doors is allowed."²⁰⁷
 - WIPO Lex notes: "According to Article 348, disputes which result from patents, trade and service marks, industrial designs, models and any other rights resulting from industrial property, are tried by the section of trade disputes in the court of the district of Tirana."²⁰⁸
- Enforcement (Civil Code) Law No. 7850, 1994
 - WIPO Lex notes: "Articles 617 and 635-639 deal with false declaration and unfair competition."²⁰⁹

2.1.2. Requirements related to Border Measures (suspension, *ex officio* action, remedies)

- Customs Code, Art. 82.4) Law No. 8449, 1999
 - WIPO Lex notes: "In article 82.4 of this Code it is stated that the customs authorities, upon request of the holder of a trademark or patent of production or other neighbouring rights specified in the Implementing Provisions of this Code, may prohibit their release in free circulation, the exportation, the re-exportation and their placing under the suspensive procedure of the goods that are recognised to

²⁰⁴ See footnote 180.

²⁰⁵ WIPO Lex: <http://www.wipo.int/wipolex/en/details.jsp?id=39>.

²⁰⁶ *Ibid.*

²⁰⁷ *Ibid.*

²⁰⁸ *Ibid.*

²⁰⁹ WIPO Lex: <http://www.wipo.int/wipolex/en/details.jsp?id=10451>.

be counterfeit or pirated goods, according to the procedure provided for in the Implementing Provisions of this Code.”²¹⁰

- Decision of the Council of Ministers No. 205, dated April 13, 1999 – Title 9, Points 118-119, of the Implementing Provisions of the Customs Code, last amendment May 1, 2008 regarding protection of IPRs (in line with EC Regulation No. 1383/2003)²¹¹
- Customs Measures by written application/*ex officio*²¹²
- Enforcement (Customs) Regulation No. 205, 1999, Title 9 Counterfeit Goods and Pirated Goods
 - Chapter 1: ‘Application for Action by the Customs Authorities’.
 - Chapter 2: ‘Control Procedures’: customs authorities can suspend the release of goods/seize the goods in case they correspond to the description of the counterfeit/pirated goods.

2.1.3. Criminal Procedures, Penalties

- Enforcement (Penal Code) Law as consolidated 2004 (available only in Albanian)
- Enforcement (Penal Code) Law No. 7905, 1995
 - WIPO Lex notes²¹³: “The Code of Criminal Procedures foresees, among others, the seizure of the objects found during the inspection of someone who is hiding real evidence of criminal offence (Article 207).”²¹⁴
 - WIPO Lex notes: “Article 274 states that, when there is a danger that free possession of an object related to the criminal offence may aggravate or prolong its consequences or facilitate the commission of other criminal offences the competent court, on demand of the prosecutor, orders its attachment by reasoned decision.”²¹⁵
- Enforcement (Penal Code) Law No. 7895, 1995

2.1.4. Market Surveillance [No information available]

2.2. Armenia

2.2.1. Civil and Administrative Judicial Procedures and Remedies

- Civil Procedure Code
 - Article 87 *et seqq.*: Provisional measures.
 - Article 65: Providing evidence.
 - Civil Courts are empowered to provide remedies referred to in Articles 42-49 of the TRIPS Agreement.²¹⁶

²¹⁰ WIPO Lex: <http://www.wipo.int/wipolex/en/details.jsp?id=55>.

²¹¹ Country Report 2010 – Albania Customs PPP, slide 11.

²¹² Country Report 2010 – Albanian Customs, p. 5.

²¹³ See footnote 180.

²¹⁴ WIPO Lex: <http://www.wipo.int/wipolex/en/details.jsp?id=54>.

²¹⁵ *Ibid.*

²¹⁶ See http://www.wto.org/english/tratop_e/trips_e/intel8_e.htm, Armenia (Document dated 2005).

- Copyright, Industrial Property, Plant Variety Protection, Integrated Circuits & Undisclosed Information (Civil Code) Law, as amended 2010
 - Article 1110: Means of protection of exclusive rights.
 - Article 1137: Liability for unlawful use of a work without a contract (i.e. unlawful use of a work without a license).
 - Article 1155: Liability for infringement of a patent (infringement must be terminated and infringer shall compensate the patent holder for the losses).
 - Article 1178: Liability for infringing the right into a trademark (infringement must be terminated and holder of the trademark be compensated for the losses).
 - Article 1183: Liability for unlawful use of the designation of the place or origin of goods.

2.2.2. Requirements related to Border Measures (suspension, *ex officio* action, remedies)

- Enforcement (Customs Code extract) Law, as amended 2003; Section 14, Chapter 39
 - Article 229: Suspension of release of goods infringing IPRs.
- Application for border protection is based upon an agreement of September 28, 2001 “Rules for Customs Control over Movement of Goods Incorporating the Intellectual Property Items Through the Customs Border” [To be verified].

2.2.3. Criminal Procedures, Penalties

- Enforcement (Criminal Code extract) Law, 2003, Chapter 19: Crimes against constitutional human rights and freedoms of citizens
 - Article 158: Infringement of copyright and related rights.
 - Article 159: Infringement of patent rights.
 - Article 97: Illegal use of trademarks.

2.2.4. Market Surveillance [No information available]

2.3. Georgia

2.3.1. Civil and Administrative Judicial Procedures and Remedies

- Law on Copyright and Neighboring Rights, 1999
 - Article 59: Remedies (*inter alia* restoration of the state existing before the infringement, reimbursement of losses).
 - Article 60 (1): “The court may take the decision or confiscation of the counterfeit copies of the work, phonogram or videogram, as well as materials and equipment for their reproduction.” (3) “The counterfeit copies of the work, phonogram or videogram purchased lawfully by the third party shall not be confiscated.”
 - Article 61: “Procedures for enforcement of appeal on protection of copyright and neighboring rights”.

- Patent Law, 1999
 - Article 69: The patent owner/holder of the exclusive license has the right to appeal against the infringement of the rights derived from the patent.
 - Law on Trademarks, 1999
 - Article 45: In case of infringement, the holder of the trademark can appeal to the court and *inter alia* demand the prevention of acts infringing his rights, compensation of damages, destruction of any material containing the registered trademark, its copy.
 - Law on Industrial Designs, 2010
 - Article 30: Responsibility for violation of exclusive rights on design.
 - Law on Appellations of Origin and Geographical Indications of Goods, 1999
 - Article 15, 16: Infringement incurs civil, administrative or criminal responsibilities. The holder of the right can appeal to the court to require (i) prevention of the acts of infringement, (ii) compensation of damages, (iii) confiscation of illegally produced goods and equipment used for production of said goods, (iv) destruction of all material including the registered name.
 - Civil Procedural Code of Georgia; Chapter XIV, XXIII
 - Article 109, 110: Evidence.
 - Article 191 *et seqq.*: Provisional measures.²¹⁷
 - Code of Administrative Violations
 - Article 157: Seizure and destruction of counterfeit goods and equipment used for production; fines.²¹⁸
- 2.3.2. Requirements related to Border Measures (suspension, *ex officio* action, remedies)
- Application of protection is based upon the agreement of September 28, 2001, “Rules for Customs control over Movement of Goods Incorporating the Intellectual Property Items Through the Customs Border” [to be verified]
 - Law on Border Measures Related to Intellectual Property, 1999
 - Based on Article 50 *et seqq.* of the TRIPS Agreement.
 - Article 3 *et seqq.*: Suspension of goods by customs authorities on request of the right holder.
 - Article 8: Remedies: “Where the Court has issued a decision in favor of the right holder the State Customs Department in respect to the paragraph (2) of this Article takes the decision on destruction or other appropriate disposal of the goods.”
- 2.3.3. Criminal Procedures, Penalties
- Criminal Code
 - Article 189: “Misappropriation of authorship on copyright or neighbouring rights form, on invention, utility model, industrial

²¹⁷ See http://www.wto.org/english/tratop_e/trips_e/intel8_e.htm, Georgia (Document dated 2001).

²¹⁸ Ibid.

design, selection achievement, topography of integrated circuit shall be punishable by penalties or correction labour for two years term. (...).”

- Article 196: “Unlawful use of other persons trade (service) mark, appellation of origin or geographical indication or trade name, which caused significant damage, shall be punishable by penalties or correction labour for two years term. (...)”.²¹⁹
- Code of Criminal Procedure of Georgia (entered into force on October 1, 2010)²²⁰
 - Investigators have unlimited *ex officio* powers to initiate prosecution in cases of IPR offences without the victim’s complaint (see Article 17, 100, 166)

2.3.4. Market Surveillance [No information available]

2.4. Israel

2.4.1. Civil and Administrative Judicial Procedures and Remedies

- Section 75 Courts Law, case law, specific provisions provided in IP laws
 - Courts are empowered to grant interim and permanent injunctions *ex parte/inter partes*.²²¹
- ‘Anton Piller Order’(Provisional Measures)
 - Upon application of the plaintiff, courts may order appointment of a temporary receiver empowered to enter the premises of defendants and non parties “to search for and seize documents, evidence and prima facie infringing matter for the purposes of preserving evidence and preventing the free circulation of goods which court may ultimately deem infringing”.²²²
- Copyright Ordinance, Section 7 C; Trademarks Ordinance, Section 59A
 - Court may order destruction of infringing goods in certain circumstances.²²³
- Patents Law, Section 183; Patent and Designs Ordinance, Section 37 (b)(2), Trademarks Ordinance, Section 59; Copyright Law, Section 6; Copyright Ordinance, Section 3A; Performers’ and Broadcasters’ Rights Law, Section 5; Commercial Torts Law, Chapter 3
 - Compensation for damages.²²⁴
- Magistrates Courts (court of first instance), District Courts (court of first instance if amount claimed is more than 1 million Shekel), Supreme Court²²⁵ (Court of Appeal) have jurisdiction over IPR infringement cases
- Civil Procedures Rules, Section 122

²¹⁹ Ibid.

²²⁰ Country Report 2011 – Georgia, p. 2.

²²¹ See http://www.wto.org/english/tratop_e/trips_e/intel8_e.htm, Israel (Document dated 2000).

²²² Ibid.

²²³ Ibid.

²²⁴ Ibid.

²²⁵ Ibid.

- Judicial authorities may order a party to the proceedings to disclose and produce relevant documents which are/have been within that party's control.²²⁶
 - Judges have the authority to issue temporary and permanent injunctions (or equivalent measures)
- 2.4.2. Requirements related to Border Measures (suspension, *ex officio* action, remedies)
- Provisions to enable the Customs Authorities to detain goods which are suspected of infringing trademark rights and copyrights
 - Copyright Ordinance, Section 7D (c); Trademarks Ordinance, Section 69A (c), Customs Ordinance, Section 200A
 - Application for suspension by customs authorities of release into free circulation goods which are the subject of infringements of copyrights/trademarks. The Director of Customs has, on his own initiative or upon request of the copyright/trademark right holder statutory authority to delay release of goods.²²⁷
 - Consumer Protection Law, Section 2, 17, 35, Customs Ordinance, Section 200A (a), 204
 - Customs officials have broad authority to seize any good which, *inter alia*, contains a false trade description or otherwise causes consumer deception.
 - Customs officials have authority to seize products involving infringements of copyrights, trademarks; extends to goods in transit, but only upon receipt of a court order.²²⁸
 - In case it is absolutely clear that if goods are infringing IPRs customs authority, in the absence of a complainant, may confiscate the goods (*ex officio* action).
- 2.4.3. Criminal Procedures, Penalties
- Copyright Ordinance, Section 3
 - Criminal offence to knowingly make an infringing copy for purposes of sale or rental; distribute infringing copies for commercial purposes: up to three years' imprisonment, fines of up to one million Shekel.
 - Performers' and Broadcasters' Rights Law
 - It is a criminal offence to knowingly violate a performer's/broadcaster's right; up to six months' imprisonment, fines up to 150,000 Shekel.
 - Trademarks Ordinance, Section 60 *et seq.*, Merchandise Marks Ordinance, Section 3
 - Criminal offence: (a) not being proprietor thereof to make use of a registered trademark or an imitation of such a trademark; (b) sells, stores for the purposes of sale, or exposes for sale, goods bearing

²²⁶ *Ibid.*

²²⁷ *Ibid.*

²²⁸ *Ibid.*

a trademark the use of which is an offence under Section (a) above; up to one year's imprisonment, fines up to 19,300 Shekel.

- Police is responsible for initiation of criminal proceedings
- Consumer Protection Law, Section 19 *et seqq.*
 - In case of consumer deception, consumer protection has authority to commence criminal investigation.
- Criminal Procedure Law, Section 68, Schedule 2 thereto
 - Party may file private criminal complaint with respect to infringement of a copyright/trademark.
 - Heard by Magistrates Court, may be accompanied by an application for an *ex parte* search and seizure order.

2.4.4. Market Surveillance [No information available]

2.5. Kyrgyz Republic

2.5.1. Civil and Administrative Judicial Procedures and Remedies

- Civil Code (Article 11)²²⁹
- Patent Law, as consolidated 2003, Section VIII 'Protection of Rights of Patent Owners and Authors'
 - Article 36: Liability for infringement of the authors' rights.
- Law of the Kyrgyz Republic on Copyright and Related Rights (Article 49)²³⁰
- Law of the Kyrgyz Republic on Trademarks, Service Marks, and Appellations of Origin (Article 41)²³¹
- Intellectual Property (Civil) Code (Part 2), 1997
 - Chapter 54, Copyright, Article 1078: "Liability for Illegal Use of a work without a contract".
 - Chapter 55, Neighboring Rights, Article 1087: "Use of Neighboring Rights and Illegal Use of a work without a contract".
 - Chapter 56, Right to Industrial Property (Right to Invention, Utility Model, Industrial Design), Article 1096: "On the basis of the request of the patent owner, violation of the protected document must be stopped, and the violator must compensate the patent owner all his losses. Instead of the losses the patent owner has the right to charge from the violator the income gained by him from the violation."
 - Chapter 58, Protection of undisclosed information from, Article 1102: "Responsibility for Illegal Use of Undisclosed Information".
 - Chapter 59, Means of Individualization of Participants of the Civil Turnover, Goods, Works and Services, Article 1113: "Responsibility for Violation of the Right to a Trademark" (stop violation,

²²⁹ Country Report 2011 – Kyrgyz Republic, slide 23.

²³⁰ Country Report 2011 – Kyrgyz Republic, slide 23.

²³¹ Country Report 2011 – Kyrgyz Republic, slide 23.

compensation for losses, obligation to destroy designations of the trademark produced).

- Code on Administrative Liability provides for liability for infringement of intellectual property rights²³²
- “Judicial authorities have the right to order prompt and effective measures to prevent infringements of any intellectual property right and, in particular, to prevent the entry of counterfeit goods to the market.”²³³

2.5.2. Requirements related to Border Measures (suspension, *ex officio* action, remedies)

- Customs Code of the Kyrgyz Republic²³⁴
 - Section IX “Enforcement of IPRs by Customs Authorities”.
- Decision on Customs Control Procedure in relation to Goods Containing Intellectual Property Subject Matter, as approved by Resolution No. 694 of the Government of the Kyrgyz Republic of November 27, 2000²³⁵
- Regulation on Customs Control Procedures in Relation to Goods containing IP Subject Matters, as approved by Government Resolution No. 694 of November 27, 2000²³⁶
- Application procedure is based upon an Agreement of September 28, 2001 ‘Rules for Customs Control over movement of Goods Incorporating the Intellectual Property Items Through the Customs Border’ [to be verified]

2.5.3. Criminal Procedures, Penalties

- Criminal Code
 - Articles 150, 191: criminal liability in case of infringement of IPRs (fines, imprisonment).²³⁷

2.5.4. Market Surveillance [No information available]

2.6. Montenegro

2.6.1. Civil and Administrative Judicial Procedures and Remedies

- Law on Patents 2008; Chapter 11: Protection of Rights under the Civil Law, *inter alia*
 - Article 76: Right holder is entitled to instigate litigation against any person infringing his right.
 - Article 77: Claims (*inter alia* establishment of the fact that a patent infringement exists, prohibition of acts constituting patent infringement, compensation for damages caused by infringement).
 - Article 78: Provisional measures.
 - Article 79: Evidence.

²³² See http://www.wto.org/english/tratop_e/trips_e/intel8_e.htm; Kyrgyz Republic (Document dated 2000).

²³³ See http://www.wto.org/english/tratop_e/trips_e/intel8_e.htm, Kyrgyz Republic (Document dated 2000).

²³⁴ Country Report 2011 – Kyrgyz Republic, slide 5, 23.

²³⁵ Country Report 2011 – Kyrgyz Republic, slide 5.

²³⁶ Country Report 2011 – Kyrgyz Republic, slide 5.

²³⁷ See http://www.wto.org/english/tratop_e/trips_e/intel8_e.htm, Kyrgyz Republic (Document dated 2000).

- Law on Trademarks (OJ no. 72/10) VIII. Civil Law Protection
 - Article 57: Plaintiff may request *inter alia* determination of infringement, termination of infringement, destruction/alteration of infringing objects, compensation for damages.
 - Article 61: Provisional measures.
 - Article 62: Evidence.
 - Law on Copyrights and Related Rights (OJ no. 37/11)
 - Integrated Circuits Decree 1998; Decree on procedure for the protection of topographies of integrated circuits (available in Serbian only)
 - Law on Geographic Signs of Origin (OJ no. 48/08)
 - Law on Legal Protection of Industrial Design (OJ no. 80/10)
 - Law on Application of the Rules Regulating the IPR Protection (OJ no. 45/05)
- 2.6.2. Requirements related to Border Measures (suspension, *ex officio* action, remedies)
- Customs Law (Official Journal of Montenegro, no. 21/08)
 - Regulation on the Customs Authority Procedure with the Goods suspected to infringe the Intellectual Property Rights (Customs Regulation; OJ of Montenegro, no. 25/05, no. 16/08)²³⁸
 - Customs Authority can upon application of the right holder/*ex officio* suspend customs procedures, withhold imported, exported or transit goods and destroy the goods based on the court decision or *ex officio*.²³⁹
- 2.6.3. Criminal Procedures, Penalties
- Patents Law 2008, Chapter 18, Penal Provisions
 - Article 119: “(1) Any company, other legal entity or entrepreneur who without authorisation engages in representation in realization of rights under this Law shall be fined for the misdemeanor in the amount equal to 20-200 times the amount of minimal salary in Montenegro (Article 4). (2) For any activities referred to in paragraph 1 of this Article, a responsible person in the company or other legal entity or a natural person shall for the misdemeanor in the amount equal to 1-10 times the amount of minimal salary in Montenegro.”
 - Law on Trademarks, 2005, IX. Penal Provisions
 - Article 70 *et seqq.*: Fines in case of trademark infringement.
 - Criminal Code of Montenegro (OJ of Montenegro, no. 25/10) Chapter XXI
 - Includes provisions that specify criminal offences arising from the infringement of copyright and related rights, patents and models.²⁴⁰

²³⁸ *Ibid*, p. 3.

²³⁹ Country Report 2010 – Montenegro, p. 1.

²⁴⁰ *Ibid*, p. 35.

2.6.4. Market Surveillance

- Law on application of the rules regulating the IPR protection (OJ of the Republic of Montenegro, no. 45/2005)
 - Oversees the production and sale of IP-protected goods.
 - Supervises trade of goods attributed with the copyright and related rights.
 - *Ex officio* market surveillance.²⁴¹

2.7. Republic of Moldova

2.7.1. Civil and Administrative Judicial Procedures and Remedies

- Law No. 655-XIV on the protection of integrated circuit topographies (adopted on October 29, 1999, applicable from January 6, 2000)
 - Article 9 (3): Damages/remedies in case of infringement.
- Law No. 161 of 12.07.2007 on the Protection of Industrial Designs, Official Gazette 136-140/577, 31.08.2007
 - Chapter V: Ensuring observance of rights (procedures, damages, remedies in case of infringement).
- Law No. 38 of 29.02.2008 on the Protection of Trademarks, Official Gazette 99-101/362, 06/06/2008
 - Chapter VI: Observance of rights (procedures, damages, remedies in case of infringement).
- Law No. 66 of 27.03.2008 on the Protection of Geographical Indications, Appellations of Origin and Traditional Specialties Guaranteed, Official Gazette 134-137/527, 25.07.2008
 - Chapter VI: Enforcement of the rights (procedures, damages, remedies in case of infringement).
- Law No. 50 of 07.03.2008 on protection of inventions, Official Gazette 117-119/455, 04.07.2008
 - Chapter VI: Enforcement of the rights (procedures, damages, remedies in case of infringement).
- Law on the protection of plant varieties No. 39-XVI (adopted on February 29, 2008, applicable from September 6, 2008)
 - Chapter VII: Ensuring observance of rights (procedures, damages, remedies in case of infringement).
- Law no. 139 of 02.07.2010 on Copyright and Related Rights, Official Gazette 191-193/630, 01.10.2010
 - Chapter IX: Enforcement of the copyrights and related rights (procedures, damages, remedies in case of infringement).
- Civil Code of the Republic of Moldova No. 1107-XV of June 6, 2002, Book I – General Provisions (Art. 8(2)e), 21(2)b), Book II – Real Rights (Art. 301,

²⁴¹ Country Report 2010 – Montenegro, p. 5.

470 (2) f)), Book III – Obligations (Art. 925(1)d), Art.1171-1178 Franchising, Book V – International Private Law Art.1607)

- Code of Civil Procedure of the Republic of Moldova No. 225-XV of May 30, 2003, Art. 33 (3-1), 85 (1) a) second position, j), 127-1, 127-2, 127-3, 460 (1) j), (2)
- Contravention Code of the Republic of Moldova No. 218-XVI of October 24, 2008, Art. 96-103, 283, 400 contains provisions concerning monetary fines for the infringement of intellectual property rights

Broadcasting Code of the Republic of Moldova No.260-XVI of July 27, 2006, Art. 18, 20(1)b) containing provisions on the enforcement of copyrights and related rights

2.7.2. Requirements related to Border Measures (suspension, *ex officio* action, remedies)

- Customs Code, Chapter XII
 - Article 302¹, 303: In case of potential infringement of IPRs, right holder can apply for assistance from the customs authorities.
 - Article 302: *Ex officio* action by customs authorities.
- Application procedure is defined in article 302

2.7.3. Criminal Procedures, Penalties

- Criminal Code contains penalties for the infringement of intellectual property rights²⁴²
 - Imprisonment.
 - Monetary fines.²⁴³

2.7.4. Market Surveillance [No information available]

2.8. Russian Federation

2.8.1. Civil and Administrative Judicial Procedures and Remedies

- Industrial Property and Copyright (Entry into force of the Civil Code Part IV) Law No. 231-FZ, 2008 (available in Russian only)
- Enforcement (Infringements and Administrative Remedies) Law No. 195-FZ (Code on Administrative Offenses) as amended in 2008 (available in Russian only)

2.8.2. Requirements related to Border Measures (suspension, *ex officio* action, remedies)

- Application procedure for border protection based upon an agreement of September 28, 2001 'Rules for Customs Control over movement of Goods Incorporating the Intellectual Property Items Through the Customs Border' [To be verified]

2.8.3. Criminal Procedures, Penalties

²⁴² See http://www.wto.org/english/tratop_e/trips_e/intel8_e.htm, Moldova (Document dated 2004).

²⁴³ Ibid.

- Enforcement Law No. 63-FZ (Criminal code) as amended 2008 (available in Russian only)
 - Amendment: IPRs infringements (copyright and trademarks) now fall under the category of “serious gravity crimes”.

2.8.4. Market Surveillance [No information available]

2.9. The Former Yugoslav Republic of Macedonia

2.9.1. Civil and Administrative Judicial Procedures and Remedies

- Law on Copyright and Related Rights
- Law on Industrial Property 2009
- Law on Alterations and Additions to the Law on Industrial Property
- Law on Protection of Topography of Integrated Circuits
- Law on Consumer Protection
- Law on Civil Procedure
 - First Instance Courts with extended competencies have jurisdiction.²⁴⁴

2.9.2. Requirements related to Border Measures (suspension, *ex officio* action, remedies)

- Law on Customs Measures for Protection of Intellectual Property Rights (latest amendments entered into force on October 11, 2011)
 - Customs administration is competent to take action in case of IP infringement upon request/*ex officio*.²⁴⁵
 - Temporarily seized goods suspected of being counterfeit may be released only if trademark owner certifies that the goods are not counterfeit.²⁴⁶

2.9.3. Criminal Procedures, Penalties

- Criminal Code
- Law on Misdemeanors
- Law on Criminal Procedure
 - First Instance Courts have jurisdiction.²⁴⁷

2.9.4. Market Surveillance

- State Market Inspectorate (SMI)
 - Action on request of right owner/*ex officio*.²⁴⁸
- Law on Industrial Property 2009

²⁴⁴ Country Report 2010 – FYR of Macedonia, p. 2.

²⁴⁵ Ibid.

²⁴⁶ See

http://www.petosevic.com/resources/news/2011/10/000803?utm_source=ipnewsletter&utm_medium=email&utm_campaign=oct2011.

²⁴⁷ Ibid.

²⁴⁸ See Country Report 2010 – FYR of Macedonia, p. 2.

- Article 317: Market inspectors have the authority to act *ex officio*.
- Law on Alterations and Additions to the Law on Industrial Property
 - Article 4: Market inspectors have the authority to seize infringing goods.

2.10. Turkey

2.10.1. Civil and Administrative Judicial Procedures and Remedies

- Geographical Indications (No 555) Law 1995
 - Article 25: Rights of the owner of geographical signs in case of infringement; definition of competent court (precautionary measures in accordance with the relevant provisions of the Civil Procedure Code).
 - Article 26: Liability for damages.
 - Article 27: Evidence.
- Patents (No. 551) Law as consolidated 1995; Part X: Infringement of Patent Rights and Legal Proceedings in infringement cases
 - Article 137: Rights of the patent owner in case of infringement (precautionary measures comprised).
 - Article 138: Liability for damages.
 - Article 139: Evidence.
- Copyright (No. 5846) Law, as consolidated 1995; Part 5, Cases of Jurisprudence and Penalty
 - Article 66: “The person who has been subject to violation may sue for the elimination of the violation against the violator”.
 - Article 67: Violation of immaterial rights.
 - Article 68: Violation of financial rights.
 - Article 69: Prevention of violation.
 - Article 70: Liability for immaterial damage.
- IP Regulatory Body (No. 544 Turkish Patent Institute) Law 1994
 - Article 1: “(...) establishing and protecting industrial property rights (...)”

2.10.2. Requirements related to Border Measures (suspension, *ex officio* action, remedies)

- Turkish Customs Law No. 4458, including, *inter alia*
 - Ex-officio action.
 - Measures related to IP infringing goods in transit.
 - Measures on IP infringing goods meant to be exported.
- Implementation Regulation of the Customs Law (Articles 100-111)

2.10.3. Criminal Procedures, Penalties

- Copyright (No. 5846) Law, as consolidated 1995; Part 5, Cases of Jurisprudence and Penalty

- Article 71: Penalty in case of violation of immaterial rights (imprisonment from three months to one year, and a maximum fine of 300 million to 600 million Turkish Liras).
- Article 72: Penalty in case of violation of financial rights (imprisonment from three months to one year, and a maximum fine of 300 million to 600 million liras).

2.10.4. Market Surveillance [No information available]

2.11. Ukraine

2.11.1. Civil and Administrative Judicial Procedures and Remedies

- Code of Administrative and Judicial Proceedings
 - Article 68, 69: Evidence (in line with Article 43 of the TRIPS Agreement).²⁴⁹
- Civil Code of Ukraine:
 - Article 22: Compensation of damages.
 - Article 151: Provisional measures.
 - Article 432: Injunctions; other remedies.
- Law on Copyright and Related Rights
 - Right of information (no specific article has been provided).²⁵⁰

2.11.2. Requirements related to Border Measures (suspension, *ex officio* action, remedies)

- Civil Code of Ukraine
 - Article 432: Termination of passage through customs border of Ukraine of goods infringing IPRs.²⁵¹
- Customs Code of Ukraine
 - Article 11: Implementation of customs affairs.²⁵²
 - Article 255: Procedure for customs' control and customs' clearance of goods containing IP subject matter.²⁵³
 - Article 256: Right holder has the right to submit an application requesting the protection of IPRs.²⁵⁴
 - Article 257: Suspension of customs clearance in case of indications of IPR infringement; customs body may act *ex officio*.²⁵⁵
- Decree of the President of Ukraine No. 1022/2000 "Issues of the State Customs Service of Ukraine" of August 24, 2000

²⁴⁹ See WTO Document IP/N/6/UKR/1 of August 11, 2008, Checklist of Issues on Enforcement.

²⁵⁰ See WTO Document IP/N/6/UKR/1 of August 11, 2008, Checklist of Issues on Enforcement.

²⁵¹ See WTO Document IP/N/6/UKR/1 of August 11, 2008, Checklist of Issues on Enforcement.

²⁵² Country Report 2011 – Ukraine, p. 5.

²⁵³ Country Report 2011 – Ukraine, p. 5.

²⁵⁴ Country Report 2011 – Ukraine, p. 5.

²⁵⁵ See WTO Document IP/N/6/UKR/1 of August 11, 2008, Checklist of Issues on Enforcement.

- Paragraph 4: “The State Customs Service of Ukraine, in accordance with the tasks assigned to it, shall promote, within its competence, IPRs enforcement.”
- Resolution of the Cabinet of Ministers of Ukraine No. 622 “Issues of Registration of IPRs Subject Matter in the Customs Registry, Obtaining Information and Cooperation between Customs Authorities and Other Law-Enforcement and Regulatory Agencies and Owners of Rights in IPRs Subject Matter in the Event of Suspension of Customs Clearance of Goods on the Initiative of the Customs Authority”, of April 13, 2007²⁵⁶

2.11.3. Criminal Procedures, Penalties

- Criminal Code of Ukraine
 - Article 176: Violations of copyright and related rights.
 - Article 177: Violations of rights to invention, useful model, industrial design, layout of integral microchip, plant variety, inventive proposal.
 - Article 229: Unlawful use of a trade mark for goods or services, company name, qualified indication of origin of the goods.
 - Penalties: Imprisonment, monetary fines, seizure, forfeiture and destruction of infringing goods.

2.11.4. Market Surveillance [No information available]

3. NON-WTO MEMBER STATES

3.1. Azerbaijan (WTO-observer)

- 3.1.1. Requirements related to Border Measures (suspension, *ex officio* action, remedies)
- Application procedure is based upon agreement of September 28, 2001 ‘Rules for Customs Control over movement of Goods Incorporating the Intellectual Property Items Through the Customs Border’ [to be verified]

[No further information available]

3.2. Belarus (WTO – observer)

3.2.1. Civil and Administrative Judicial Procedures and Remedies

- Civil Code of the Republic of Belarus No. 218-Z, as amended 2009
 - Article 1011: Liability for illegal use of undisclosed information (compensation for losses caused by illegal use of undisclosed information).
 - Customs authorities are empowered to initiate administrative proceedings in case of IPR infringements.²⁵⁷

3.2.2. Requirements related to Border Measures (suspension, *ex officio* action, remedies)

- Customs Code of the Republic of Belarus of January 4, 2007, Chapter 12²⁵⁸

²⁵⁶ Country Report 2011 – Ukraine, p. 6.

²⁵⁷ Country Report 2011 – Belarus, p. 2.

- Customs Code of the Customs Union of November 27, 2009, Chapter 46²⁵⁹
- Decree of the President of the Republic of Belarus No. 319 of July 18, 2001 “On Certain Issues of Customs Regulation, the Implementation of Customs Activities and Authorized Economic Operators”²⁶⁰
- Decision of the State Customs Committee of the Republic of Belarus No. 55, 2007 on Customs Operations Connected with Suspension of the Customs Clearance of the Goods Containing Intellectual Property Objects
- Agreement on a Common Customs Registry of IP Subject Matter of Customs Union Member States of May 21, 2010²⁶¹
- Rules of Cooperation between Customs Authorities of Customs Union Member States on Administering a Common Customs Registry of IP Subject matters, as approved by the Decision of the Customs Union Commission No. 290²⁶²

3.2.3. Criminal Procedures, Penalties [No information available]

3.2.4. Market Surveillance [No information available]

3.3. Bosnia & Herzegovina (WTO – Observer)

3.3.1. Civil and Administrative Judicial Procedures and Remedies²⁶³

- Trademark Law, adopted on May 28, 2010
 - Part 11: Civil protection (Articles 80-93).
 - Part 13: Misdemeanor provisions (Articles 98-100).
- Patent Law, adopted on May 28, 2010
 - Part 13: Protection of rights: Chapter II, judicial protection in civil procedure (Articles 103-112).
- Copyright and Related Rights Law, adopted on July 13, 2010
 - Part 6: Exercise of rights: Chapter II, Protection of rights – Section B: Judicial protection (Articles 156-163).
 - Part 7: Penal provisions.
- Law on Industrial Designs, adopted on May 28, 2010
 - Part 11: Civil protection (Articles 79-92).
 - Part 13: Misdemeanor provisions.
- The Law on the Protection of Indications of Geographical Origin, adopted on May 28, 2010
 - Part 10: Civil protection (Articles 71-81).

[Footnote continued from previous page]

²⁵⁸ Country Report 2011 – Belarus, p. 1.

²⁵⁹ Country Report 2011 – Belarus (Current Information for Sub-Paragraph 3.2), p. 1.

²⁶⁰ Country Report 2011 – Belarus (Current Information for Sub-Paragraph 3.2), p. 1.

²⁶¹ Country Report 2001 – Belarus (Current Information for Sub-Paragraph 3.2), p. 1.

²⁶² Country Report 2001 – Belarus (Current Information for Sub-Paragraph 3.2), p. 1.

²⁶³ The following information is based on the Country Report 2011 (Annex I) – Bosnia and Herzegovina, p.

- Part 12: Penal provisions.
 - The Law on the Protection of Topographies of Integrated Circuits, adopted May 28, 2010
 - Article 24: The provisions of the Patent Law governing civil protection of rights and customs measures, shall apply mutatis mutandis to the topographies that are the subject matter of protection under this Law
 - Law on the Collective Management of Copyright and Related Rights, adopted on July 13, 2010
 - Part 6: Penal provisions
 - Law on the protection of new varieties of plants (effective from year 2004)
- 3.3.2. Requirements related to Border Measures (suspension, *ex officio* action, remedies)²⁶⁴
- Customs Policy Law of Bosnia and Herzegovina ("The Official Gazette of B&H", no. 57/04)
 - Decisions on implementation of customs measures for protection of rights will be adopted:
 - Customs can act upon application of the right holder or *ex officio*, and temporarily detain the goods suspected of infringing rights, when imported, exported or transited, seizure and destroy the goods based on the court decision or on the agreement of both parts.
- 3.3.3. Criminal Procedures, Penalties
- Criminal Law of Bosnia and Herzegovina ("The Official Gazette of B&H", No. 3/03)
- 3.3.4. Market Surveillance²⁶⁵
- The Law on Inspection of Republic of Serbia, Official Gazette of the Republic of Serbia 74/2010 (No information available for the Federation of Bosnia and Herzegovina and Brcko District)
 - Article 18: Jurisdiction for IPR protection.
 - Article 57: General inspection measures.
 - Article 58: General inspection measures (*ex officio*).
 - Trade Law, Official Gazette of the Republic of Serbia 6/2007, 52/11 (No information available for the Federation of Bosnia and Herzegovina and Brcko District)
 - Articles 58, 59: Unfair competition, trademark infringement.
 - The Trademark Law, adopted on May 28, 2010
 - Chapter 13: Offences, market inspection jurisdiction

²⁶⁴ The following information is based on the Country Report 2011 (Annex I) – Bosnia and Herzegovina, p.

²⁶⁵ The following information is based on the Country Report 2011 (Annex II) – Bosnia and Herzegovina, p. 1.

- The Law on the Collective Management of Copyright and Related Rights, adopted on July 13, 2010
 - Chapter 6: Offences, market inspection jurisdiction.
- The Copyright and Related Rights Law, adopted on July 13, 2010
 - Chapter 7: Offences, market inspection jurisdiction and special measures for infringement.
- The Law on the Protection of Indications of Geographical Origin, adopted on May 28, 2010
 - Chapter 12: Offences, market inspection jurisdiction.
- The Law on Industrial Designs, adopted on May 28, 2010
 - Chapter 13: Offences, market Inspection jurisdiction.

3.4. Kazakhstan (WTO – observer)

3.4.1. Requirements related to Border Measures (suspension, *ex officio* action, remedies)

- Customs Code of the Customs Union (Customs Union of Belarus, Kazakhstan and Russia)
- Code of the Republic of Kazakhstan “on Customs Affairs in the Republic of Kazakhstan”²⁶⁶
 - Article 441: *Ex Officio* action
- Agreement on Common IP Customs Register for Members of Customs Union, ratified in Kazakhstan on 30.06.2010, № 322-IV ZRK²⁶⁷
- Rules on Cooperation of Members of the Customs Union regarding the Common IP Customs Register, ratified in Kazakhstan on 18.06.2010 г. № 290²⁶⁸
- Joint Order of the Ministry of Finance No. 387 of July 29, 2010, and of the ministry of Justice of the Republic of Kazakhstan No. 253 of August 20, 2010, “on Approval of Rules for Cooperation and Exchange of Information between Customs Authorities and Public Authorities of the Republic of Kazakhstan in IPRs Protection”²⁶⁹
- Application procedure is based upon agreement of September 28, 2001 ‘Rules for Customs Control over movement of Goods Incorporating the Intellectual Property Items Through the Customs Border’ [to be verified]

3.5. Serbia (WTO – observer)

3.5.1. Civil and Administrative Judicial Procedures and Remedies

- Law on Indications of Geographical Origin 2010

²⁶⁶ Country Report 2011 – Kazakhstan (Ministry of Finance), p. 1.

²⁶⁷ Country Report 2011 – Kazakhstan (Ministry of Finance), p. 1.

²⁶⁸ Country Report 2011 – Kazakhstan (Ministry of Finance), p. 1.

²⁶⁹ Country Report 2011 – Kazakhstan (Ministry of Finance), p. 2.

- Article 71: Protection in case of infringement of registered indication of geographical origin (*inter alia* determination of infringement, termination of infringement, destruction or alteration of objects infringing origin or geographical indication; liability and compensation for damages).
 - Article 75: Provisional measures.
 - Article 76: Evidence.
 - Law on Copyright and Related Rights 2009
 - Article 205: Protection in case of infringement of copyright and related rights (*inter alia*, determination of infringement, termination of infringement, destruction or alteration of objects infringing the copyright/related right, compensation for material damages).
 - Article 210: Provisional measures.
 - Article 211: Evidence.
 - Law on Legal Protection of Industrial Design 2009; IX Civil Law Protection, *inter alia*
 - Article 62: Protection in case of industrial design right Infringement.
 - Article 66: Provisional measures.
 - Law on the Protection of Topographies of Integrated Circuits 2009; VIII. Civil Law Protection
 - Article 27: Action against infringement of rights.
- 3.5.2. Requirements related to Border Measures (suspension, *ex officio* action, remedies)
- Customs Regulations of Serbia²⁷⁰
 - Customs Law 2010
 - Articles 286-301: Detention of goods.²⁷¹
 - Customs authorities can at the request of the right holder/*ex officio* suspend import: export or transit for goods suspected of infringing IPRs and retain the goods.²⁷²
- 3.5.3. Criminal Procedures, Penalties
- Law on Indications of Geographical Origin 2010
 - Articles 80 *et seq.*: Fines in case of infringement.
 - Law on Copyright and Related Rights 2009; VIII. Penal Provisions
 - Articles 215 *et seq.*: Fines in case of infringement.
 - Industrial Property and Copyright Law (Criminal Code), 2005
 - Article 198: Violation of moral right of author and performer, punishment with fine/imprisonment.

²⁷⁰ Country Report 2010 – Serbia, p. 2.

²⁷¹ *Ibid.*

²⁷² Country Report 2010 – Serbia, p.4.

- Article 199: Unauthorized use of copyrighted work or other work protected by similar right, punishment with fine/imprisonment.
- Article 200: Unauthorized Removal or Altering of Electronic Information on Copyright and Similar Rights, punishment with fine/imprisonment.
- Article 201: Violation of Patent Rights, punishment with fine/imprisonment.
- Article 202: Unauthorized use of another's design, punishment with fine/imprisonment.
- Law on Legal Protection of Industrial Design 2009; X. Penal Provisions
 - Articles 75 *et seqq.*: Punishment with a fine, infringing objects shall be destroyed.

3.5.4. Market Surveillance [No information available]

3.6. Tajikistan (WTO – observer)

3.6.1. Requirements related to Border Measures (suspension, *ex officio* action, remedies)

- Customs Code of the Republic of Tajikistan (adopted in 2004)²⁷³
- Application procedure for border protection based upon an agreement of September 28, 2001 'Rules for Customs Control over movement of Goods Incorporating the Intellectual Property Items through the Customs Border'. [to be verified]

3.6.2. Criminal Procedures, Penalties

- Criminal Code of the Republic of Tajikistan (CCRT)
 - Article 156: Infringement of copyright, related rights and patentee rights.
 - Article 275: Illegal use of a trademark.

[No further information available]

3.7. Turkmenistan (neither WTO – member nor WTO - observer)

3.7.1. Requirements related to Border Measures (suspension, *ex officio* action, remedies)

- Application procedure for border protection based upon an agreement of September 28, 2001 'Rules for Customs Control over movement of Goods Incorporating the Intellectual Property Items through the Customs Border'. [to be verified]

[No further information available]

²⁷³ Country Report 2011 – Tajikistan (Customs Service), p. 2.

3.8. Uzbekistan (WTO-observer)

3.8.1. Requirements related to Border Measures (suspension, *ex officio* action, remedies)

- Application procedure for border protection based upon an agreement of September 28, 2001 'Rules for Customs Control over movement of Goods Incorporating the Intellectual Property Items Through the Customs Border'. [to be verified]
- Customs Code of the Republic of Uzbekistan²⁷⁴

3.8.2. Criminal Procedures, Penalties

- Criminal Code of the Republic of Uzbekistan

3.8.3. Remarks

- Trade and economic agreement between Switzerland and Uzbekistan (entry into force 1994)

[End of Annex I]

²⁷⁴ Country Report 2011 – Uzbekistan, p. 2.

ANNEX II

EXAMPLE OF SUCCESSFUL PRACTICE: RECYCLING COUNTERFEIT GOODS SUBMITTED BY REACT²⁷⁵

- a.1. The organization of the sound and smooth disposal of counterfeit goods.
- a.2. The facilities that have to be set up in order to prepare the counterfeit goods for recycling/destruction.
- a.3. The different possibilities for the recycling of certain goods.
- a.4. The problems that can occur when counterfeit goods have to be transported across borders in order to access the best available recycling possibilities.

a.1. Legal, Organizational and Procedural matters

a.1.1. In cases which go to court:

In such cases, storage time can be measured in years. At all times the goods must be kept under surveillance by customs. When goods are stored at airports and seaports it is particularly expensive, and increasingly these costs are being moved to the right owners. Transferring seized goods to cheaper locations nearby should be encouraged.

Many consignments are mixed, consisting of both original and fake goods. It is important to divide these consignments quickly to allow the original goods to reach their destination. Alleged fake goods can then be stored in cheaper locations.

Points of importance are:

- right holders must be held accountable;
- storage must be in a customs warehouse and covered by a customs license;
- goods must be sealed with a customs seal;
- there must be proper administration of the stored consignments

a.1.2. In cases being settled out of court: simplified proceedings. In these matters, storage time is reduced. The simplified proceedings are recommended in WCO model law, Article 11 and have been introduced into EU Regulation (see Regulation No. 1383/2003, Art. 11 and, as from January 1, 2014, Regulation (EU) No. 608/2013, Art. 23). In other parts of the world there are similar types of settlement. For example, the right holders agree to take over the cost of storage, transportation and destruction.

According to most provisions, destruction must be carried out under customs supervision. This is very often not an environmentally friendly procedure, however, recycling could potentially be considered.

In terms of the following definition of recycling, destruction could mean:

"make goods useless for the original purpose for which they were meant to be. This under the condition that it is impossible that goods can be restored in their original state nor used for other purposes than raw material".

²⁷⁵ The views expressed are those of the author of this Annex and not necessarily those of the Secretariat or the Member States of WIPO.

a.1.3. In order for recycling to be cost-effective, there needs to be a large volume of goods to recycle. This is not only necessary for recycling but also useful for destruction if recycling is impossible as it minimizes costs. It is rare for individual brand owners to be able to collect a sufficient number of confiscated counterfeit goods to recycle. One practical solution is the creation of product groups and the sharing of storage facilities at certain key locations. In order for this to be successful there would need to be partnerships between the right owners and cooperation from public authorities.

a.2. Facilities that have to be set up in order to prepare counterfeit goods for recycling.

Goods to be offered to recycling industries must be prepared. For example an electronic appliance such as a television cannot be offered to the recycling industry; it has first to be dismantled and the different materials have to be separated according to their class type. Therefore a facility has to be set up where these goods can be prepared and set aside for recycling.

This facility has to be set up in accordance with environmental legislative requirements.

As an example of such a facility, reference is made to the recycling facility DWZ276, REACT uses in the Netherlands.

The main activity DWZ undertakes is the dismantling and processing of goods. DWZ is made up of three groups, the regional sorting center, the dismantling group for electronics and other products and a group for special projects. Due to its specialized knowledge on the processing of materials and its reliable work ethic, DWZ also collaborates with the Dutch Government. For example, DWZ recycles and destroys seized goods following criminal procedures. Furthermore, the social benefits of the facility in the Netherlands are job creation and the reintegration of people who are unable to function in a normal working environment.

Counterfeit goods that have to be destroyed are collected and transported to the DWZ facilities. In order to have the goods destroyed REACT applies to the customs authority for a destruction permit. When this has been granted, DWZ collects the consignment, together with the form on which permission for destruction has been granted. The goods have to be weighed under customs supervision at the DWZ location. After the destruction procedure, which will be specified hereunder, the customs officer checks the weight of the destroyed material after which the form is stamped and this qualifies as authority to destroy.

DWZ sorts the different types of product according to material types. Certain goods have to be dismantled, as they consist of different types of material which have to be recycled differently. The great advantage of this facility is that materials can be stored by DWZ until there are sufficient quantities to be offered to an outside recycling industry. To assist in this process DWZ uses shredders, so the confiscated goods are ready for the recycling company. Another way to prepare products for the recycling industry is by adding liquids. Further explanation and examples of recycling methods and their preparation are given in Section 3.

a.3. The different possibilities for the recycling of certain goods.

²⁷⁶ Demontage Werkplaats Zeeland. Translation: Dismantling Facility Zeeland, which is located in Goes, Netherlands.

Although there are a number of categories for recycling, reference is made to four categories that have been highlighted by DWZ. Examples are given with regard to the respective destruction method and requirements for transport and storage.

The four following categories can be highlighted:

- 1) Goods that fall under the category of dangerous materials.
- 2) Goods that are useable for recycling after destruction.
- 3) Goods that are suitable for incineration.
- 4) Goods that can be destroyed by incineration under certain conditions.

Category 1: Dangerous Materials

Examples of goods in this category are ink cartridges, perfumes and articles containing toner.

This type of article must be transported with a special bill of lading that clearly indicates the weight of the consignment and the number of articles. These goods may only be stored by a company which holds a relevant license. The same requirement applies to the company that processes these goods.

Category 2: Recyclable Materials

This category consists of goods such as clothes, wooden and synthetic toys and all kinds of electronics.

Clothes that have limited applications, such as zippers and buttons, can be reused as dusters, or, part of the textile can be reused in the form of thread and wool. Another example of a creative recycling method by DWZ is the processing of counterfeit socks. DWZ has found a company in northern France which takes the socks apart and uses the thread for the production of new textiles. Wooden toys can be shredded and then repressed into wooden chipboards.

Synthetic toys (depending on the type of synthetic) can be shredded and can qualify for recycling. The synthetic material can be reused for other synthetic products.

Electronic appliances can be dismantled and the components (with the exception of batteries) can be reused in new appliances.

Category 3: Incineration

This category consists mainly of shoes, clothing with zippers and press studs. These goods are shredded and burned in an incinerator. The burning process is then used to generate energy.

Furthermore DWZ is working with several Dutch companies on methods to reuse the remains of shoes to make artificial turf for sports fields or for the foundation of asphalt roads.

Category 4: Incineration under special conditions

This category consists of goods such as lighters; in other words, goods that are semi-dangerous.

For the transport of this type of article there are additional requirements. According to European legislation the transporter must be in possession of an ADR license (European license for transporting goods). The ADR license is granted to those who follow a detailed course where they learn how to deal with dangerous materials and where they are familiarized with environmental legislation. Suppliers of this type of article are required to indicate the exact number of goods which can be destroyed in incinerators that are equipped for the purpose.

[End of Annex II]

ANNEX III

RECOMMENDATIONS SUBMITTED BY REACT²⁷⁷

To upgrade border protection, it is essential to receive a substantial number of applications by rights holders. In order to obtain more applications, the following measures can be considered:

- Introduction of an online application system;
- Wider coverage, for one application to include more countries;
- Accepting an indemnity letter instead of a bond or other security requirement;
- Requirement for all formalities (notarization, bonds, trademark certificates, etc.), only in cases of doubt.

To enhance communication with the private sector and facilitate identification procedures, it is advisable to explore the legal options on creating as much transparency as possible to ensure that goods are quickly identified. The following is advised:

- Use of digital images for identification;
- Provision of access to information;
- Work with Intranet databases;
- Organizing product identification events.

Once the goods have been detained, a legal process needs to be followed to confiscate and have them destroyed or, preferably, recycled. The following points could be taken into account:

- Costs of the procedure to be borne by the infringer;
- Use of simplified administrative procedures;
- Limiting the duration of the proceedings in view of high storage costs;
- Training of the judiciary in such procedures.

In the destruction process, environmental issues should not be ignored. Many goods are recyclable and where possible this process should be explored as an alternative to environmentally harmful destruction, such as burning. However there is also the issue of cost; in principle, neither the state nor the genuine rights holder should pay. We recommend the following:

- Address the costs in and during the follow-up procedure;
- Customs legislation and formalities should not create any obstacles to recycling goods;
- Simplified, fast proceedings can reduce storage costs;
- Exploring public-private partnerships for the storage and destruction of goods.

[End of Annex III]

²⁷⁷ The views expressed are those of the author of this Annex and not necessarily those of the Secretariat or the Member States of WIPO.

ANNEX IV

UNECE RECOMMENDATION M²⁷⁸

United Nations
 ECONOMIC COMMISSION FOR EUROPE
 COMMITTEE ON TRADE
 Working Party on Regulatory Cooperation and
 Standardization Policies
 Eighteenth session
 Geneva, November 3-4, 2008
 Item 5(b) of the Provisional Agenda

Recommendation M

Use of Market Surveillance Infrastructure as a Complementary Means to Protect Consumers and Users Against Counterfeit Goods

1. The Working Party on Regulatory Cooperation and Standardization Policies:

Recognizing consumer-protection concerns of the United Nations Member States and tasks for international organizations as highlighted in the General Assembly decision 54/449 of December 22, 1999 (United Nations Guidelines for Consumer Protection),

Stressing the necessity to set up efficient domestic market surveillance system to ensure that goods placed on the market meet legitimate public objectives such as public health protection and safety and that business transactions take place in compliance with the principle of fair competition,

Stressing the importance of intellectual property rights protection for the economic and industrial development of countries, and for international trade,

Noting existing deficiencies in the protection and enforcement of intellectual property rights (trademarks, copyrights, patents, designs, geographical indications) in international trade and the threats to health and safety of consumers and users posed by counterfeit goods,

Underlining that setting up an administrative and legal framework to protect IPRs, including penalties and building a coordinated network of cooperation between all core stakeholders, namely state authorities (e.g., customs, police and intellectual property agencies/patent offices), industry, consumers and users, are key elements in solving the problems of counterfeit goods,

Taking into account the legal and technical differences which may exist between the administrative and legal framework and individual technical regulations as well as the implementation tools when looking at protecting intellectual property rights compared to ensuring market surveillance,

²⁷⁸ The views expressed are those of the author of this Annex and not necessarily those of the Secretariat or the Member States of WIPO.

Considering the role of the Working Party on Regulatory Cooperation and Standardization Policies in improving the current administrative and legal framework to enable businesses to trade safe and reliable products and services.

2. *Recommends* that governments explore the possibility, wherever feasible and where the national legal framework permits, to involve their market surveillance authorities in the fight against counterfeit goods - consistent with existing national legal mechanisms - by implementing the following procedures:
 - (a) To provide a mechanism for cooperation and coordination of market surveillance activities at the national level between market surveillance, customs and other authorities concerned,
 - (b) To give the possibility to right holders to inform (with documentary proof) the market surveillance and other relevant state authorities on counterfeit goods,
 - (c) To enable market surveillance authorities to identify suspected counterfeit goods made available on the domestic market (in cooperation with other relevant authorities) during market surveillance activities, including, where appropriate, resorting to laboratories to test the goods,
 - (d) After having examined the compliance with all applicable requirements of the national legislation, to enable market surveillance authorities to check if the goods might infringe intellectual property rights, and, whenever feasible and without prejudice to the national legislation on confidentiality, to involve other relevant authorities and intellectual property right holders,
3. *Trusts* that implementation of these procedures should neither create financial burdens for market surveillance authorities nor replace or duplicate existing intellectual property rights enforcement tools. It would be beneficial to consumers/users and conducive to establishing rule-of-law principles in society and to fair competition and business development.

[End of Annex IV and of document]