

EXCO Sorrento 2000  
Adopted Version  
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## **Resolution**

### **Question Q 147**

#### **The Effectiveness of border measures after TRIPS**

##### **AIPPI observing that**

###### **Customs unions**

1. Not all countries<sup>1</sup>, belonging to a <customs union> have substantially dismantled all controls over the movement of goods across their common borders, so that till such dismantling occurs, they are bound to apply the border measures prescribed by Section IV of TRIPS.

###### **Article 51: Suspension of Release by Customs Authorities**

2. In order to comply with Article 51 the countries have procedures for the suspension by the customs authorities of the release into free circulation of counterfeit trademark goods and pirated copyright goods, either in the form of court actions or of actions before the customs authorities or of combined actions before both the courts and the customs authorities.
3. Under Article 51 the Member Countries to the TRIPS Agreement have no obligation to apply these procedures also to parallel imported goods. Some countries do so, other countries do not. Further general study of international exhaustion of industrial property rights by AIPPI in a separate context is ongoing.
4. Under Article 51 the Member Countries to the TRIPS Agreement have no obligation to apply these procedures also to goods in transit and/or to goods which are to be exported. Some countries do so, other countries do not.
5. A few countries grant (as they are entitled to do under Article 51) to copyright and related rights, trademarks, geographical indications, industrial designs, patents, layout designs (topographies) of integrated circuits, and undisclosed information the same protection and the same procedures as for pirated copyright goods and counterfeit trademark goods (within the meaning of note 14 of Article 51 of TRIPS). In most countries they apply only to a limited number of these rights.

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<sup>1</sup> unless otherwise indicated "countries" meaning here, and hereinafter from paragraphs 1 to 26, the countries or regions of the Reporting Groups.

### **Article 52: Application**

6. Not all countries require the holder of rights to provide evidence that there is prima facie infringement of his right, neither do all countries require the competent authorities to inform the applicant within a reasonable period whether they have accepted the application, as prescribed by Article 52.

### **Article 53: Security or Equivalent Assurance**

7. According to the authority given under Article 53 some countries require the applicant to provide a security or an equivalent assurance to protect the defendant and the competent authorities and to prevent abuse.
8. Most of the countries which provide for suspension by customs of goods infringing industrial designs, patents, layout designs and/or undisclosed information, provide for the entitlement to their release on the posting of a sufficient security as required under Article 53, paragraph (2) first sentence.
9. No country allows more than 30 days as the maximum period in which the right holder should pursue his right.

### **Article 54: Notice of Suspension**

10. In all the countries the requirement that the importer and the applicant be promptly notified of the suspension of the release of goods is satisfactorily met.
11. In most countries which have administrative procedures in place, it is usually the customs authorities who have to inform promptly the applicant of the suspension. The way in which this must be done varies greatly in the different countries, ranging from a telephone call to service by a Court bailiff.

### **Article 55: Duration of Suspension**

12. In a majority of the countries the obligation to inform the customs authorities 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 (as formulated in the first part of Article 55) rests on the applicant and, generally, must be complied with in writing.
13. In most countries it is left to the discretion of the customs authorities to extend the first limit of 10 working days by another 10 working days - as is possible under Article 55 "in appropriate cases" - if they consider this to be fair and reasonable.

14. Generally the review, including the right to be heard, as meant in Article 55, corresponds with the normal way in which proceedings leading to a decision on the merits of the case are conducted in the respective country.

#### **Article 56: Indemnification of the Importer and of the Owner of the Goods**

15. In almost all the countries the liability of the applicant for, and the assessment of, compensation for any injury caused through the wrongful detention of goods or through the detention of goods released - pursuant to Article 55 are governed by the respective rules of civil liability.

#### **Article 57: Right of Inspection and Information**

16. Most countries comply with the obligation under Article 57 to provide the competent authorities the authority to give the right holder sufficient opportunity to have any product detained by the customs authorities inspected in order to substantiate his claims, by satisfactory laws or practices. The importer is given an equivalent opportunity to inspect the goods.
17. As they are allowed to do under Article 57, most countries provide the competent authorities with the authority to inform the applicant of the names and addresses of the consignor, the importer and the consignee and of the quantity of the goods in question.

#### **Article 58: Ex Officio Action**

18. Some countries require the authorities to take Ex Officio Action, others do not.
19. The countries providing for Ex Officio Action satisfactorily meet the requirements of Article 58 by allowing competent authorities to seek from the right holder any information that may assist them to exercise their powers, and by requiring prompt notification of the importer and the right holder of the suspension.
20. Most of the countries mentioned in paragraph 19 do not expressly provide for exemption of both public authorities and officials from liability in-appropriate remedial measures for applying in those cases where actions are taken or intended in good faith, but this point is generally taken care of by the national laws on liability of public authorities and officials as prevailing in the respective countries.

#### **Article 59 juncto Article 46: Remedies**

21. The destruction of infringing goods, which is an optional measure under Article 59 juncto Article 46, is in most countries not contrary to existing constitutional requirements.

22. Under Article 46, the countries provide for various possibilities concerning border measures against materials and implements, the predominant use of which has been in the creation of the infringing goods.
23. The countries reported that they have no practical experience of the "exceptional circumstances" which under the last lines of Article 59 would justify certain less strict, or at least different border measures against counterfeit trademark goods.

### **Article 60: De Minimis Imports**

24. The countries have different requirements concerning the exclusion of De Minimis imports as meant in Article 60, dealing with small quantities of goods of a non-commercial nature contained in travellers' personal luggage or sent in small consignments.

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### **25. Observing furthermore that**

not all countries live up to their obligations under Section IV of TRIPS and mentioning as examples;

- 25.1 The lack of provisions required under Article 52, that the right holder provides adequate evidence of prima facie infringement and of provisions requiring competent authorities to inform the applicant;
- 25.2 The lack of a provision for obligatory release as required under Article 53 paragraph 2;
- 25.3 The insufficiency of the existing provisions implementing Article 57, first sentence, authorising the competent authorities to permit the right holder and the importer to have detained products inspected.

### **26. Observing furthermore, that**

many countries wish to improve effectiveness of enforcement of border measures within the meaning of Section IV of TRIPS.

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### **AIPPI resolves as follows:**

27. AIPPI calls upon those countries which do not fully and effectively comply with their obligations under TRIPS in connection with Section IV to do so forthwith.
28. AIPPI calls upon countries to have their customs authorities sufficiently educated to ensure the full implementation of the TRIPS provisions.



29. AIPPI recommends that all Countries make use of the right under Article 1.1 of TRIPS to provide more extensive protection than is required by the TRIPS Agreement, in particular:
  - 29.1 AIPPI recommends as a particularly effective measure the detention of goods at the borders through a procedure of a pre-emptive recordal before the customs authorities of the intellectual property rights and urges countries to adopt it forthwith.
  - 29.2 AIPPI recommends that border measures be extended to well-known marks within the meaning of Article 6bis of the Paris Convention, as well as to marks which have not been registered but which otherwise enjoy protection under national law of the country of importation.
  - 29.3 AIPPI recommends that all countries extend border measures to goods in transit and to goods intended to be exported, which would otherwise infringe intellectual property rights in the country of transit, or in the country of export, respectively.
30. AIPPI recommends that all countries apply border measures also to De Minimis imports.
31. AIPPI recommends further study of application of border measures to intellectual property rights other than those infringed by counterfeit trademark goods and pirated copyright goods within the meaning of Note 14 to Article 51 of the TRIPS Agreement.

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