

# COUNTERFEIT GOODS

## CUSTOMS (PROHIBITED IMPORTS) REGULATIONS

### PART VI. – THE IMPORTATION OF GOODS THAT INFRINGE UPON INTELLECTUAL PROPERTY RIGHTS.

#### 7. INTERPRETATION OF PART VI.

In this Part, unless the contrary intention appears –

**“goods infringing intellectual property rights”** means any goods which are made, reproduced, put into circulation or otherwise used in breach of the intellectual property laws and without the consent of the right holder or a person duly authorised to do so by the right holder. If such making, reproduction, use or putting into circulation of the goods took place outside the country, the goods are deemed to be infringing if the acts would have constituted an infringement in the country had they been undertaken in the country.

For the purposes of this Part, goods protected with copyright or related rights with respect to which the rights management information they may incorporate has been removed, altered, or added without the right holders’ authorisation shall be deemed to be goods infringing the said intellectual property rights;

**“intellectual property”** means any intellectual property rights as defined in the *Copyright and Neighbouring Rights Act 2003* and any law on intellectual property such as copyright and related rights, trademarks, geographical indications, industrial designs, patents, layout-designs (topographies) of integrated circuits and protection of undisclosed information;

**“protection defeating devices”** means devices, products, components or parts, such as unauthorised smart cards, set top decoders or circumvention software, which are primarily designed or adapted to circumvent any technological measure, and shall be deemed to include any illegitimate authentication means;

**“technological measure”** means any technology, device or component that in the normal course of its operation, either controls access to a protected work or subject matter protected by related rights, or protects any copyright or any related rights or facilitate the detection of counterfeit trademark goods or goods protected by a copyright or related right.”

*Division 1. – Application for Intervention By Customs.*

**8. RECORDATION OF INTELLECTUAL PROPERTY RIGHT WITH CUSTOMS.**

(1) A right holder may submit applications to Customs, in accordance with the procedures and under the conditions set out in this law, for the suspension of the customs clearance and the detention of imported goods, goods destined for exportation and goods in transit.

- (2) A right holder may submit an application to Customs –
- (a) requesting that Customs suspend clearance of goods that are suspected of infringing the rights in the trademark; or
  - (b) requesting that Customs suspend clearance of goods that are suspected of infringing his copyright or related rights or suspected of being protection-defeating devices; or
  - (c) requesting that Customs suspend the clearance of goods infringing intellectual property rights other than those set out in Paragraphs (a) and (b),

provided that in the case of geographical indications, the applicant must provide evidence that the goods are in violation of national law in the country of origin, and where the release of the goods is suspended upon exportation or transit, that the use of the geographical indication is a violation of the national law in the country of ultimate destination or sale.

(3) The application shall be in a form as approved by the Commissioner General and be valid for two years.

(4) The right holder shall inform the Commissioner when the intellectual property right ceases to be valid.

**9. APPLICATION FOR INTERVENTION BY CUSTOMS.**

(1) Any application in respect of goods infringing intellectual property rights including protection defeating devices shall be presented in writing and shall be accompanied, where appropriate, by –

- (a) details concerning the applicant and appropriate contact information; and
- (b) where the applicant is an authorized representative, authorization from the right holder in accordance with the applicable law; and
- (c) adequate evidence of the existence and ownership of a valid intellectual property right by, or on behalf of, the applicant; and
- (d) a statement of the grounds for the application for border measures related to shipments in general; or
- (e) in the case of a specific shipment of allegedly infringing goods a statement of the grounds for the application, including prima facie evidence showing that –

- (i) such intellectual property rights have been infringed; or
  - (ii) that rights are about to be infringed; or
  - (iii) that the shipment contains protection defeating devices; and
- (f) a sufficiently detailed description of the goods in respect of which an intellectual property right applies, together, where appropriate, with a sample of a genuine product; and
- (g) a non-refundable fee of as determined by the Commissioner.

(2) In the event any of the information listed Subsection (1) is not provided with the application Customs shall, if such information is deemed materially necessary, ask the applicant to complement the application and will not reject an application without further examination on the basis that the applicant has not provided some of the information listed in Subsection(1).

(3) This application for intervention shall be in a form as approved by the Commissioner General.

#### **10. RESULT OF APPLICATION FOR CUSTOMS TO INTERVENE.**

(1) Within 30 working days of the receipt of an application pursuant to Section 38 of the Act, the Commissioner shall notify the applicant that the application has been granted, rejected or reserved for further consideration.

(2) Where there is any urgent application in which immediate action is required and where sufficiently specific information concerning known shipments containing allegedly infringing goods is provided –

- (a) the application will be assessed by Customs, and notification by Customs to the rights holder will be made within three working days; and
- (b) where the application is granted, it shall be effective for such period as specified by the Commissioner. If the application is rejected, the reasons will be notified to the applicant.

#### **11. PROVISION OF SECURITY.**

(1) Where the application is granted, the applicant shall provide security, or certified documents from certified accountants showing that the applicant has sufficient assets to cover any possible damages claim which is sufficient to compensate the importer, consignee, consignor, exporter or owner of the goods and the Commissioner, for any loss or damage that may result from the wrongful suspension of customs clearance of the goods and its detention.

(2) The Commissioner may request the right holder to sign an undertaking to accept the actual costs incurred in detaining and suspending the goods from customs clearance, which may include storage, handling, destruction and other operational costs incurred, where the infringer can not be located.

(3) The undertaking may be requested at the time of making the application, or at the time when the goods are being suspended from clearance or at a later time.

***Division 2. – Suspension of Customs Clearance and Detention of the Goods.***

**12. SUSPENSION FROM CUSTOMS CLEARANCE AND DETENTION.**

(1) Where the Commissioner is satisfied, after consulting with the applicant if necessary, that the imported or exported goods or the goods in transit are suspected to infringe an intellectual property right covered by the decision granting the application, the commissioner shall suspend the clearance of the goods referred to in the application.

(2) The period of suspension from customs clearance be for a period of up to ten working days, and any extension thereof, as specified by the Commissioner.

(3) The Commissioner will inform the importer, exporter, consignee or the consignor and the applicant of the suspension of the clearance of the goods or of the detention of goods destined for exports or goods in transit and shall state the reasons for such suspension or detention within the period of suspension mentioned at Subsection (2).

(4) The Commissioner will provide the notification in a form approved by him.

**13. PERIOD OF SUSPENSION.**

(1) Where the Commissioner has 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, within the period of suspension, the goods shall be released, provided that all other conditions for importation or exportation have been complied with.

(2) The time limit may be extended by another ten working days in upon the request of the right holder.

(3) Where there are perishable goods suspected of infringing an intellectual property right, the period of suspension shall be three working days and this period will not be extended.

(4) If proceedings leading to a decision on the merits of the case have been initiated, a review, including a hearing if requested, shall take place, upon the request of the defendant, with a view to deciding, within a reasonable period, whether these measures shall be modified, revoked or confirmed.

(5) Notwithstanding Subsection (4), where the suspension of the release of goods is carried out or continued in accordance with a provisional seizure order from a court –

- (a) the period of suspension will be determined by the court; or
- (b) in the absence of such a determination, the period shall not exceed 20 working days or 31 calendar days, whichever is longer.

(6) Where, pursuant to an application under Section 9, the clearance of goods involving other intellectual property rights than trademarks, copyright and related rights has been suspended by Customs, and the period provided for in Subsections (2), (3) and (5) has expired without the competent Court having granted a provisional seizure order, and provided that all other conditions for importation have been complied with, the owner, exporter, importer, consignee or consignor of such goods shall be entitled to clearance on the posting of a security in an amount sufficient to protect the right holder for any infringement.

(7) The payment of such security does not prejudice any other remedy available to the right holder.

(8) The security referred to in Subsection (7) will be released if the right holder fails to pursue his right of action within a reasonable period of time.

#### **14. REMOVAL AND TESTING OF SAMPLES.**

A right holder, importer or exporter may, subject to the approval of the Commissioner remove samples of the examine and obtain samples of goods, the clearance of which has been suspended under Section 41 of the Act, for examination, testing and analysis to determine whether the goods are pirated, counterfeit or otherwise infringe an intellectual property right or whether the goods are protection defeating devices.

#### **15. PROVISION OF FURTHER INFORMATION TO RIGHT HOLDER.**

Subject to the Customs Act, the Commissioner may provide the right holder with any further information which would assist in determining whether the goods are counterfeit, pirated or otherwise infringe an intellectual property right or a protection defeating device.

#### **16. EX-OFFICIO ACTION.**

(1) The Commissioner may, on his own initiative, suspend customs clearance and detain goods in respect of which he has acquired prima facie evidence or has reasonable cause to believe that an intellectual property right has been infringed or the goods are protection-defeating devices.

(2) Subject to Subsection (1) the Commissioner may require the right holder to provide, without payment, any information or assistance, including

technical expertise and facilities for the purpose of determining whether goods are counterfeit, pirated or otherwise infringe an intellectual property right.

(3) The Commissioner shall immediately inform the right holder and the importer or exporter of the place and date of the suspension of customs clearance of the goods and the right holder may within ten working days request the Commissioner to suspend the goods from customs clearance.

(4) The provisions of this Part on suspension and disposal of infringing goods shall apply where the Commissioner acts on his own initiative.

(5) The Commissioner is not liable for any loss or injury to goods affected by the exercise of his powers under this provision.

### ***Division 3. – Disposal of Infringing Goods.***

#### **17. DISPOSAL OF COUNTERFEIT OR PIRATED GOODS.**

(1) Where it is determined that goods are counterfeit or pirated or otherwise infringe an intellectual property right they are deemed to be condemned and shall, unless requested otherwise by the right holder be disposed of by the Commissioner-

- (a) by destruction; or
- (b) by such other manner as the Commissioner directs, provided that manner of disposal shall be outside normal channels of commerce and be without detriment to the right holder.

(2) Notwithstanding Subsection (1), the Commissioner or the right holder under Customs supervision may dispose of any goods, without a court order where –

- (a) the right holder has provided adequate evidence to prove that the goods are infringing goods; and
- (b) the importer, the exporter, the consignee, the consignor, the owner of the goods, or the declarant has been served by customs with the notice of suspension referred to in Section 12, has been informed about the possibility of confiscation and destruction or disposal outside the channels of commerce by default of the allegedly infringing goods and he does not oppose the measure within 20 working days after having been served the notice; or
- (c) if, after reasonable efforts by Customs the importer, exporter, consignee, consignor, the owner of the goods, or the declarant has not been identified; or
- (d) in the event the applicant is granted an extension of the time limit for taking legal actions, such extension is automatically applied to the opposition procedure referred to in this subsection.

(3) A Right holder may, prior to the destruction or the disposal of the suspended goods, apply for a retention of samples, for evidentiary purposes in pending or future legal actions involving his intellectual property right.

(4) The owner, the importer, the exporter, the consignee or the consignor will pay the costs of storage and destruction of any goods suspended and determined to be counterfeit, pirated or otherwise infringes an intellectual property right.

**18. DE MINIMUS LIMIT.**

(1) Infringing goods of a non-commercial nature and intended for the importer's or consignee's own personal use contained in personal luggage or sent in small consignments are not subject to the suspension procedure provided by this Regulation.

(2) The importation of multiple identical copies of the same product is not allowed under this exception.

*Division 4. – Miscellaneous.*

**19. PUBLICATION.**

The Commissioner may publish such forms as he approves on issues relating to the practical application of this law and to specify such fees as are reasonable to cover administrative costs of Customs.

**20. FURNISHING OF INFORMATION TO RIGHT HOLDER.**

Where the goods are proven during suspension of customs clearance or after any judicial proceedings, to be counterfeit, pirated, or otherwise infringe an intellectual property right, the Commissioner may –

- (a) inform the right holder of the name and address of the exporter, the importer and the consignee and of the quantity of the goods in question; and
- (b) upon request provide the right holder with copies of documents lodged in respect of such goods or with any available information or documents relating to any previous importation of similar goods by the same importer.

**21. INDEMNITY OF THE COMMISSIONER.**

Subject to the provisions of the Customs Act and this Part, where an application for customs intervention has been received, the Commissioner or a Customs Officer shall not be liable for –

- (a) any failure to detect any goods that may infringe any trademark, copyright or other intellectual property right or protection – defeating device; or
- (b) the inadvertent release of the goods; or
- (c) any action taken in good faith in respect of the goods.

**22. DAMAGES FOR WRONGFUL DETENTION.**

(1) In this section “wrongful detention” means the suspension, pursuant to an application by the right holder for the release of goods when the substantive decision by the competent Court has established that the goods are not infringing goods.

(2) An importer, exporter, consignee, consignor or the owner of the goods may seek appropriate monetary compensation for injury caused to them through wrongful detention of goods or circumvention devices in the Court of first instance.

**SCHEDULE 2 .**

<b>Item No:</b>	<b>Description of goods</b>	<b>Nature of prohibition</b>
96A.	counterfeit, pirated or copyright infringing goods or protection defeating device	Subject to Part VI

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**CUSTOMS (PERSONAL EFFECTS) REGULATIONS**

**SCHEDULE 1.**

<b><u>PARA NO.</u></b>	<b><u>DESCRIPTION OF GOODS</u></b>	<b><u>CONDITIONS, IF ANY</u></b>
1	counterfeit, trademark or pirated goods of a non-commercial nature <i>excluding</i> more than five identical copies of the same product.	Prohibitions and any other quarantine restrictions need to be observed