

**ANNEX 6**

**DRAFT BILL**

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INTELLECTUAL PROPERTY RIGHTS INCLUDING BORDER MEASURES**

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72. LAW ON THE ENFORCEMENT OF  
INTELLECTUAL PROPERTY RIGHTS INCLUDING BORDER MEASURES

73.

74. **Part I: Preliminary**

75.

76. **Short Title and  
Commencement**

1. This Act may be cited as the Enforcement of Intellectual  
Property Rights and Border Measures Act . . . ., and shall

77. come into operation on a date to be fixed by His Majesty  
in

78. Council.

79.

80. **Interpretation**

2. In this Act, unless the context otherwise requires:

**“counterfeit trademark goods”** shall mean any goods, including packaging, bearing  
without authorization a trademark which is identical to  
the trademark validly registered in respect of such  
goods, or which cannot be distinguished in its essential  
aspects from such a trademark, and which thereby  
infringes the rights of the owner of the trademark in  
question under the law of Tonga, and

**"court"** means the Supreme Court of Tonga

**"minister"** means the Minister for Labour, Commerce & Industries

81. **“pirated copyright goods”** shall mean any goods which are copies made without

82. the consent of the right holder in the country of

83. production and which are made directly or  
indirectly

84. from an article where the making of that copy  
would

85. have constituted an infringement of a copyright or  
a

86. related right under the law of Tonga.

87.

88. **"registrar"** means the Registrar for Industrial Property

89.

## II. PART II: INFRINGEMENT PROCEEDINGS

### III. CHAPTER 1: INFRINGEMENT

**Infringement of Patent Remedies** 3(1) Subject to Sections 13 of the Industrial Property Act 1994 an infringement of a patent shall consist of the performance of any act referred to in Section 7 of the Protection of Layout Designs (Topographies) of Integrated Circuits Act, 2002, by a person other than the owner of the patent and without the agreement of the latter.

(2) On the request of the owner of the patent, or of an exclusive licensee, or of a non-exclusive licensee if he has requested the owner to institute court proceedings for a specific relief and the owner has refused or failed to do so, the Court may grant an injunction to prevent infringement or an imminent infringement and, where the infringer acted knowingly or with reasonable grounds to know, award damages and grant any other remedy provided for in the general law or under Chapter 4 of this Part.

**Infringement of Trademarks, Trade names, Business names and Trade Secrets; Unlawful Acts; Remedies**

4 (1) Subject to Section 30 of the Industrial Property Act 1994 an infringement of a registered mark or of an unregistered well-known mark shall consist of the performance of any act referred to in sections 4, 5 and 6 of the Protection of Geographical Indications Act, 2002; sections 5, 6 and 7 of the Protection Against Unfair Competition Act, 2002; section 17 of the Registration of Business Names Act, 2002, in Tonga by a person other than the owner of the mark and without the agreement of the latter.

(2) Subject to Section 27(e) of the Industrial Property Act 1994, an infringement of a registered well-known mark shall consist of the use of a sign identical with or confusingly similar to the well-known mark without the agreement of the owner of the well-known mark provided that the sign is used:

- (i) in relation to goods or services identical with or similar to the goods or services for which the well-known mark has been registered, or

(ii) in relation to goods or services which are not identical with or similar to those in respect of which the well-known mark has been registered provided that the use of the sign in relation to those goods or services would indicate a connection between those goods or services and the owner of the well-known mark and that the interests of the owner of the well-known mark are likely to be damaged by such use.

(3) An infringement of an unregistered well-known mark shall consist of the use of a sign identical with or confusingly similar to the well-known mark without the agreement of the owner of the well-known mark provided that the sign is used in relation to goods or services identical with or similar to the goods or services for which the mark is well-known.

(4) On the request of the owner of a mark or of an exclusive licensee, or of a person affected by an act of unfair competition including the disclosure of secret information or the unlawful use of a trade name or business name likely to mislead the public, or of a non-exclusive licensee if he has requested the owner of the mark to institute court proceedings for a specific relief and the owner of the mark has refused or failed to do so, the Court may grant an injunction to prevent infringement, an imminent infringement, or an unlawful act referred to in *Section 30* of the Industrial Property Act 1994, award damages and grant any other remedy provided for in the general law or under Chapter 4 of this Part.

(5) The Court may also, on the request of any competent authority or any interested person, group association or syndicate, including producers, manufacturers or traders, grant the same relief where it is satisfied that an act of unfair competition referred to in the provisions of the Protection Against Unfair Competitions Act, 2002, has been committed or is imminent.

(6) The owner of an unregistered well-known mark shall be entitled to an injunction to prevent infringement or imminent infringement.

**Infringement of Industrial Designs;  
Remedies**

5(1) An infringement of an industrial design registered under the Industrial Property Act 1994 shall consist of the performance of any act referred to in Section 25 of the said Law by a person other than the owner of the industrial design and without his agreement.

(2) On the request of the owner of the industrial design, or of an exclusive licensee, or of a licensee if he has requested the owner to institute court proceedings for a specific relief and the owner has refused or failed to do so, the Court may grant an injunction to prevent infringement or an imminent infringement, award damages and grant any other remedy provided for in the general law or under Chapter 4 of this Part.

– **Unlawful Use of Geographical Indications;**

– Remedies **6 (1) An unlawful use of a geographical indication protected under the Protection of Geographical Indications Act, 2002, shall consist of the performance of any act referred to in Section 4 of the said Act or any use of a geographical indication by a person who has no right to use the geographical indication in accordance with the said Law.**

(2) On the request of any interested person or of any interested group of producers or consumers, the Court may grant an injunction to prevent the unlawful use of the geographical indication, award damages and grant any other remedy provided for in the general law or under Chapter 4 of this Part.

– **Infringement of Layout-Designs; Remedies 7 (1) An infringement of a layout-design (topography)**

– **of an integrated circuit protected under the Protection of Layout-Designs (Topographies) of Integrated Circuits Act, 2002, shall consist of the performance of any act referred to in Section 5 of the said Law by a person other than the owner of the layout-design (topography) and without his agreement.**

(2) On the request of the owner of the layout-design (topography) of an integrated circuit, or of a licensee if he has requested the owner to institute court proceedings for a specific relief and the owner has refused or failed to do so, the Court may grant an injunction to prevent infringement or an imminent infringement, award damages and grant any other remedy provided for in the general law or under Chapter 4 of this Part.

**Infringement of Copyright and Related Rights;**

**Remedies 8. An infringement of a copyright or related right shall consist of any act that violates any right protected under the Copyright Act, 2002.**

#### IV.

#### CHAPTER 2: PROVISIONAL MEASURES

##### Provisional Measures

9 (1) The Court shall order, in accordance with the procedure prescribed in the Regulations implementing this Act prompt and effective provisional measures to prevent an infringement or unlawful use referred to in Chapter 1 of this Part from occurring or to preserve relevant evidence in regard to an alleged infringement.

(2) Where appropriate, in particular where any delay is likely to cause irreparable harm to the right holder or where there is a demonstrable risk of evidence being destroyed, the Court shall order provisional measures without giving the other party an opportunity of being heard provided that the applicant has furnished:

- (i) any reasonably available evidence satisfying the Court with a sufficient degree of certainty that the applicant is the right holder and that the applicant's rights are being infringed or that such infringement is imminent, and
- (ii) any security or equivalent assurance required by the Court to protect the defendant and to prevent abuse.

(3) Where provisional measures have been ordered without having given the other party an opportunity of being heard, the Court shall give the parties affected notice of the decision, at the latest after the execution of the measures.

(4) Where provisional measures have been ordered under sub-sections (2) and (3), the defendant may file a request for review with the Court within fourteen working days from the notification of the decision. In the review proceedings, the Court shall give the parties concerned an opportunity of being heard and shall confirm, modify or revoke the decision within a reasonable period after the notification of the decision.

(5) Where the applicant does not initiate court proceedings leading to a decision on the merits of the case within 20 working days or 30 calendar days, whichever is the longer, from the notification of the decision ordering provisional measures or within any other reasonable period determined by the Court in the



decision, the Court shall revoke the provisional measures upon the request of the defendant.

(6) Where the provisional measures are revoked or where the Court decides on the merits of the case in proceedings under sub-section (5) initiated by the applicant that there has been no infringement or threat of an infringement, the Court shall order the applicant, upon the request of the defendant, to provide the defendant appropriate compensation for any injury caused by the execution of the provisional measures.

## V. CHAPTER 3: EVIDENCE; BURDEN OF PROOF

**Evidence** 10. (1) The Court may, where a party has presented reasonably available evidence sufficient to support the claims and has specified evidence relevant to substantiation of the claims which lies in the control of the opposing party, order that this evidence be produced by the opposing party, subject, in appropriate cases, to conditions which ensure the protection of confidential information.

(2) In cases in which a party to a proceeding voluntarily and without good reason refuses access to, or otherwise does not provide necessary information within a reasonable period, or significantly impedes a procedure relating to an enforcement action, the Court may make preliminary and final determinations, affirmative or negative, on the basis of the information presented to it, including the complaint or the allegation presented by the party adversely affected by the denial of access to information, subject to providing the parties an opportunity to be heard on the allegations or evidence.

### **Reversal of Burden of Proof**

11 (1)(a) For the purposes of civil proceedings in respect of the infringement of rights of the owner, if the subject matter of a patent is a process for obtaining a product, the court may order the defendant to prove that the process used to obtain an identical product is different from the patented process.

(b) Any identical product when produced without the consent of the patent owner shall, in the absence of proof to the contrary, be deemed to have been obtained by the patented process in either of:

- (i) If the product obtained by the patented process is new; or,
- (ii) if there is a substantial likelihood that the identical product was made by the process and the owner of the patent has been unable

through reasonable efforts to determine the process actually used.

(2) In requiring the production of evidence, the Court before which the proceedings referred to in subsection (1) take place shall take into account the legitimate interests of the alleged infringer in not disclosing his manufacturing and business secrets.

#### **Chapter 4: Damages; Other Remedies**

##### **Damages 12.**

Where damages are awarded in accordance with Sections 1 to 6, the Court shall order the infringer to pay the right holder adequate compensation for the infringement of his intellectual property right provided that the infringer acted knowingly or with reasonable grounds to know. Where appropriate, the Court shall order the infringer to pay the right holder expenses which may include appropriate attorney's fees.

##### **Other Remedies**

13. (1) Where goods have been found to be infringing, the Court shall, wherever this is considered adequate under the circumstances to create an effective deterrent to further infringement, taking due account of the need for proportionality between the seriousness of the infringement and the remedies as well as the legitimate interest of third parties, order, without compensation of any sort, that these goods be destroyed, or be disposed of outside the channels of commerce in such a manner as to avoid any harm caused to the right holder.

(2) In respect of counterfeit trademark goods, the simple removal of the trademark unlawfully affixed shall not be sufficient, other than in exceptional cases, to permit release of the goods into the channels of commerce.

(3) The Court shall also, wherever this is considered adequate, taking due account of the conditions set out in sub-section (1), order that materials or implements the predominant use of which has been the creation of infringing goods be disposed of outside the channels of commerce without compensation of any sort in such a manner as to minimize the risks of further infringement.

##### **Information to Right Holder**

14. The Court shall order the infringer to inform

the right holder of the identity of third persons involved in the production and distribution of the infringing goods or rendering of services and of their channels of distribution, where this would be in proportion to the seriousness of the infringement.

**Indemnification of Defendant**

measures were taken and who has abused enforcement procedures to provide to a defendant wrongfully enjoined or restrained adequate compensation for the injury suffered by virtue of such abuse. Where this is considered adequate in view of the seriousness of the abuse, the Court shall also order the person having abused enforcement procedures to pay the other party expenses including appropriate attorney's fees.

15. The Court shall order an applicant at whose request

**Appeals** 16. (1) Any decision by the Court in infringement proceedings shall be subject to an appeal to the Court of Appeal.

(2) The appeal shall be filed within 30 calendar days from the notification of the decision.

**Further Sanctions**

17. When a person has been found guilty of an offence under the provisions of the intellectual property laws referred to in Sections 1 to 6, the Court shall, whenever this is considered adequate under the circumstances to create an effective deterrent to further infringement, order the seizure, forfeiture or destruction of the infringing goods and of any materials and implements the predominant use of which has been in the commission of the offence.

**VI. PART III: BORDER MEASURES**

**VII. CHAPTER 1: BORDER MEASURES BY THE CUSTOMS DEPARTMENT**

**Suspension on Own Initiative or on Request;  
Invitation to File Application**

18.(1) The Customs Department shall, upon the request of the right holder or upon its own initiative, suspend the customs clearance procedures and release into free circulation of goods if there is sufficient *prima facie* evidence that the importation of counterfeit trademark goods or pirated copyright goods is taking place or is imminent.

(2) Where the release into free circulation was suspended on its own initiative, the Customs Department shall notify the right holder and give him an opportunity to file an application for the suspension

of release into free circulation and to provide a security in accordance with Section 27 and to inform him that, if the required security has not been provided within [three ] working days from receipt of the notification, the goods will be released into free circulation.

(3) Where the Customs Department is requested by the right holder to take action under sub-section (1), Sections 25 to 27 shall apply *mutatis mutandis*.

**Notification of Importer and Right Holder**

19. Where the Customs Department has suspended customs clearance in accordance with Section 17, it shall notify the importer and, where known, the right holder of the alleged infringement and of the suspension.

**Inspection and Examination of Goods**

20. Without prejudice to the protection of confidential information, the Customs Department shall allow the right holder and the importer to examine the goods the clearance of which has been suspended, and to remove samples for examination, testing and analysis, in order to substantiate their respective claims.

**Information to Right Holder; Release of Goods**

21. (1) Where the customs clearance of goods has been suspended by the Customs Department under Section 17,

(a) the Customs Department shall inform the right holder of the names and addresses of the importer, consignor and consignee and of the quantity of the said goods provided that this is in proportion to the seriousness of the infringement, and

(b) the owner, importer or consignee of the goods shall be entitled to their release on the posting of a security, in an amount sufficient to protect the right holder, where the period set out in Section 32 has expired without the granting of provisional relief by the Court and where all other conditions for importation have been complied with.

(2) Upon request, the Customs Department shall also, without prejudice to the protection of confidential information, provide the right holder with copies of documents lodged in respect of such goods or with any information or documents relating to any previous importation of identical or similar goods in which the same importer, consignor or consignee were involved.

**Liability of Customs Department**

22. The Customs Department shall not be liable for any action taken or intended in good faith in respect of the release or suspension of release into free circulation of counterfeit, pirated and/or infringing goods including, in particular,

- (i) any failure to detect such goods, and
- (ii) the inadvertent release of such goods.

**Assistance by Right Holder**

23. The Customs Department may require the right holder to provide any information that may assist it in exercising its powers under this Chapter.

**VIII. CHAPTER 2: BORDER MEASURES BY COURT ORDER**

**Availability of Border Measures**

24. Border measures shall, where the conditions set out in this Chapter are met, be ordered by the Court to prevent the importation of goods which infringe intellectual property rights conferred by

- (i) patents granted in accordance with the Industrial Property Act 1994,
- (ii) trademarks and trade names protected under the Industrial Property Act 1994,
- (iii) industrial designs protected under the Industrial Property Act 1994,
- (iv) geographical indications protected under the Protection of Geographical Indication Act No. 17 of 2002,
- (v) copyright and related rights protected under the Copyrights Act, 2002,
- (vi) the importation of integrated circuits incorporating unlawfully reproduced layout-designs (topographies) protected under the Protection of Layout-Designs (topographies) of Integrated Circuits Act No. 18 of 2002, or articles incorporating such integrated circuits.

**Application for Suspension**

25. The holder of an intellectual property right, who has valid grounds for suspecting that the importation of goods that infringe his rights may take place, may file

an application with the Court requesting it to order the Customs Department to suspend customs clearance of those goods.

**Request; Prima Facie Evidence**

26. The application shall be presented in writing and shall state the grounds for the request. It shall be accompanied by

- (i) *prima facie* evidence that the applicant is the holder of the intellectual property right
- (ii) *prima facie* evidence that his right has been infringed or that an infringement is imminent,
- (iii) a sufficiently detailed description of the goods alleged to be infringing in order to make them readily recognizable, and,
- (iv) the prescribed fee.

**Content of Application**

27. The applicant shall furnish all information available to him enabling the Court to take a decision. The information may include the following:

- (i) the name and address of the importers and/or consignees of the goods alleged to infringe his intellectual property rights,
- (ii) a sample or photograph of the goods alleged to be infringing, or other means enabling the Customs Department to recognize the said goods,
- (iii) the country or countries of origin or manufacture of the goods alleged to be infringing,
- (iv) the names and addresses of persons and/or business entities involved in the manufacture and distribution of the goods alleged to be infringing,
  - (v) the manner of transportation and the names and addresses of the transporters of the goods alleged to be infringing,
  - (vi) the port or ports where it is anticipated that the goods alleged to be infringing will be imported into the territory of

the Sultanate and presented to the Customs Department,

- (vii) the expected date of importation and presentation to the Customs Department, and
- (viii) a sample of the genuine goods produced by or with the consent of the right holder.

**Security**

28. (1) The Court may require the right holder to provide security or other equivalent assurance:

- (i) to cover any liability on his part *vis-à-vis* persons affected by border measures where the said measures are discontinued by virtue of an act or omission by the right holder or where the goods in question are subsequently found not to be infringing,
- (ii) to ensure payment of the expenditure incurred in keeping the goods in suspension by the Customs Department, and
- (iii) to prevent abuse.

(2) Such security or equivalent assurance shall not unreasonably deter recourse to the procedure suspending release into free circulation of goods.

**Procedure**

29. (1) The decision by the Court to suspend the release into free circulation of goods alleged to be infringing goods shall be taken in proceedings under Section 7(1) and may be rendered, in accordance with Section 7(2), without giving the other party an opportunity of being heard. In its decision, the Court shall specify the period for which the Customs Department will have to take action.

(2) The Court shall forward its decision granting the application by the right holder without delay to the Customs Department which shall be liable to take action in respect of the goods alleged to be infringing.

**Execution of Court Order**

30. The Customs Department shall, upon the order of the Court, suspend the customs clearance procedures and the release into free circulation of goods alleged or suspected to infringe intellectual property rights referred to in Sections 1 to 6.

**Compensation for Wrongful Detention**

31. The Court may order the applicant to pay the importer, the consignee and the owner of the goods appropriate compensation for any injury caused to them through the wrongful detention of goods or through the detention of goods released by virtue of failure to initiate proceedings leading to a decision on the merits of the case in accordance with Section 31.

**IX. CHAPTER 3: PROCEEDINGS LEADING TO DECISIONS ON THE MERITS OF THE CASE**

**Time Limit; Release of Goods**

35. (1) If, within a period of 10 working days after the applicant has been notified of the suspension of the release into free circulation, no proceedings leading to a decision on the merits of the case have been initiated by a party other than the defendant and, where the Customs Department has taken the decision to suspend the release into free circulation of the goods, the Customs Department has not been notified accordingly, the goods shall be released, provided that all other conditions for importation have been complied with.

(2) The Customs Department may, where it considers an extension of the said period to be appropriate under the circumstances, extend the period of suspension by a period not exceeding another 10 working days.

(3) The Court may extend the period by any period it considers reasonable under the circumstances.

**Review of Decision**

33 (1) If proceedings leading to a decision on the merits of the case have been initiated, the Court or the Customs Department, whichever authority has taken the decision to suspend the release into free circulation of the goods alleged to be infringing, shall review, upon the request of the defendant, the decision with the view to determining whether the measures shall be modified, revoked or confirmed.

(2) Where the suspension of the release of goods is continued in accordance with a provisional measure ordered by the Court, the period of further suspension shall be determined by the Court. Where no such determination has been made, the said period shall not



exceed 20 working days or 31 calendar days, whichever is the longer.

**Destruction of Goods**

34. The Court shall, where the conditions set out in Section 11(1) are met, order the destruction of infringing goods or the disposal of them outside the channels of commerce in such a way as to preclude injury to the right holder, without compensation of any sort.

1. The following shall not be permitted:

- (i) re-exporting the infringing goods in the unaltered state,
- (ii) other than in exceptional cases, simply removing the trademarks which have been affixed to counterfeit goods without authorization, and
- (iii) placing the goods under a different customs procedure.

**X. CHAPTER 4: GENERAL PROVISIONS**

**De Minimis Imports**

35. Small quantities of goods of a non-commercial nature contained in the traveler's personal luggage or sent in small consignments may be excluded from suspension from release into free circulation.

**By-laws; Administrative Instructions**

36. The Minister shall issue Implementing Regulations setting out the detailed procedure for the implementation of this Law which may, in particular,

- (i) contain provisions establishing a centralized recordation system of intellectual property rights,
- (ii) provide for establishing contact points for the exchange of information on trade in goods infringing intellectual property rights,
- (iii) provide for the publication of decisions of general interest on the application of this Law, and

- (iv) Provide for establishing a cooperative body within Government for enforcing the provisions of this Act.

**Appeal Against Decisions by Customs Department**

37. The aggrieved party may lodge an appeal against any decision or measure taken by the Customs Department on or in connection with the suspension of release into free circulation of goods alleged to be counterfeit or pirated. The appeal shall lie to the Court and shall be filed within 30 working days from the notification of the decision.

**Appeals Against Court Decisions**

38. The aggrieved party may lodge an appeal against any decisions taken by the Court of first instance on or in connection with the suspension of release into free circulation of counterfeit, pirated or infringing goods. The appeal may be filed within 30 working days from the notification of the decision with the Court of Appeal.

Passed in the Legislative Assembly this.....day of.....2004.