

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

RESTRICTED

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Group of Negotiations on Goods (GATT)  
Negotiating Group on Trade-Related Aspects  
of Intellectual Property Rights, including  
Trade in Counterfeit Goods

SYNOPTIC TABLE SETTING OUT PROPOSALS ON ENFORCEMENT AND  
CORRESPONDING PROVISIONS OF EXISTING INTERNATIONAL TREATIES

Prepared by the Secretariat

1. At its meeting of 11-12 May 1989, the Negotiating Group requested the secretariat to prepare synoptic tables setting out in a comparative manner the proposals tabled in the Group on standards and enforcement, and corresponding provisions of existing international treaties. To respond to this request, this note contains a synoptic table on enforcement. Synoptic tables on standards are being issued in document MTN.GNG/NG11/W/32.
2. The various proposals and the corresponding existing international rules on enforcement do not share a common structure. In the attached synoptic table they have been structured in four main sections. Section A, General obligations, concerns proposed obligations that would apply to enforcement procedures and remedies generally, whether internal or at the border. Section B, Internal measures, concerns enforcement procedures and remedies that apply to the internal production, sale, distribution, etc. of infringing goods. Such measures would apply to the internal sale, etc. of both domestically-produced and imported goods. Section C, Special requirements related to border measures, concerns obligations which have as their basic purpose providing for action against the importation (possibly exportation and transit) of infringing goods prior to their clearance through the customs authorities. Section D concerns proposed obligations regarding the Acquisition of IPRs.
3. Under each main heading, a number of sub-headings have been employed. It should be noted that these headings and sub-headings do not generally appear in the proposals or in existing international treaties; they have been used solely with a view to assisting the user of the synoptic table and have no standing beyond that.

4. The synoptic table attached to this note is thus organized as follows:

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5. It should be noted that in some cases the general obligation described in Section A is amplified in Sections B and C. For example, the proposed general objective and obligations concerning the avoidance of barriers to legitimate trade in A(1) and A(10) are dealt with more specifically in some parts of Sections B and C, including B(3) (conditions on provisional measures and indemnification of defendant), B(6) (indemnification of defendant), C(2)(b) (concerning parallel imports), C(4) (requirements for initiation of procedures by IPR owners) and C(5) (conditions on detention of goods by customs), as well as in other parts of Section A, such as A(4) (assurance of equitable procedures) and A(12) (right of judicial review).

6. The first column in each table sets out the provisions of existing international treaties corresponding to the proposals made. The following points about the scope of the information contained in this column should be borne in mind:

- Only the provisions of multilateral treaties have been included. Regional or bilateral treaties have not been referred to.
- The information given refers to the most recent revision of the treaty in question.
- In order to enable the information to be presented synoptically, it has been necessary in many instances to present the existing provisions of international treaties in summary form. References have been included to the articles of the treaties in question where the full text of existing international standards can be found.

7. The national treatment standard, as laid down in the Paris, Berne, Universal Copyright, Rome and Integrated Circuits Conventions, is widely relevant to the matters referred to in the table. It, together with certain other basic principles, is also the subject of proposals made by various participants in the Group. These basic principles, which are the subject of paragraph 4(a) of the TNC decision of April 1989, are not reflected in the synoptic table.

8. Information on provisions of existing international treaties relevant to enforcement can be found in the document prepared by the International Bureau of WIPO on the Existence, Scope and Form of Generally Internationally Accepted and Applied Standards/Norms for the Protection of Intellectual Property (MTN.GNG/NG11/W/24/Rev.1) under Section (8) of each of the parts dealing with different types of intellectual property right. This document also contains information on model legislations prepared by WIPO, the activities of WIPO and national policies and practices. Information can also be found in the note by the GATT secretariat on Provisions on Enforcement in International Agreements on Intellectual Property Rights (MTN.GNG/NG11/W/18).

9. The other three columns of the synoptic table set out the specific proposals by the United States (MTN.GNG/NG11/W/14/Rev.1), the European Communities (MTN.GNG/NG11/W/31) and Japan (MTN.GNG/NG11/W/17). To avoid confusion, the language in these proposals has been standardized so that "signatories" refer to signatory governments of a proposed TRIPS agreement

and "parties" refer to private parties to an enforcement proceeding. In regard to Section D, Acquisition of IPRs, it should be noted that certain proposals corresponding to those of the European Communities reflected in this section have been presented by the United States and Japan in connection with standards for specific intellectual property rights and are reflected in the synoptic tables in document MTN.GNG/NG11/W/32.

10. In addition to the three proposals listed, it is recalled that a number of other suggestions, not amenable to presentation in the synoptic table, have been made relevant to enforcement, including those presented in writing by Switzerland (MTN.GNG/NG11/W/25), the Nordic countries (MTN.GNG/NG11/W/22 and MTN.GNG/NG11/W/29), Thailand (MTN.GNG/NG11/W/27) and Brazil (MTN.GNG/NG11/W/30). It should also be noted that the synoptic table does not reflect suggestions made under the agenda item on trade in counterfeit goods, for example those contained in documents MTN.GNG/NG11/W/9 (Draft Agreement to Discourage the Importation of Counterfeit Goods), MTN.GNG/NG11/W/11 (by Brazil)<sup>1</sup> and MTN.GNG/NG11/W/28 (by Mexico).

11. The Swiss proposal, like those of the United States, European Communities and Japan, suggests specific international obligations on enforcement that should result from the work of the Group. It will be recalled that, in connection with enforcement, the commitments proposed by Switzerland are as follows:

- A recognition that excessive, insufficient, or lack of protection as well as discriminatory treatment of intellectual property rights by contracting parties may cause nullification and impairment of advantages under the GATT. Such impairment and nullification may be caused both by substantive and procedural deficiencies.
- A commitment to avoid trade distortions caused either by excessive, insufficient, or lack of protection of intellectual property rights, inter alia of patents, trademarks, industrial designs, geographical indications, integrated circuits, copyright, and neighbouring rights; and a commitment to prevent counterfeiting and piracy.
- An amendment to Article XX (d) of the GATT as follows:
 

"(d) necessary to secure compliance with laws or regulations which are not inconsistent with the provisions of this Agreement, including those relating to customs enforcement, the enforcement of monopolies operated under paragraph 4 of Article II and Article XVII, the protection of intellectual property rights, and the prevention of deceptive practices".

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<sup>1</sup> It will, however, be noted that the content of the Brazilian suggestion, which is that countries sign the WIPO Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods, is reflected in column one of the synoptic table under "corresponding provisions of existing international treaties".

- A commitment to provide full and prompt application and implementation of domestic laws and regulations related to the protection of intellectual property rights, including to maintain or institute judicial or administrative tribunals or non-discriminatory procedures for the prompt review of trade distorting practices related to such laws and regulations.
- The elaboration of indicative lists, indicating trade distorting effects caused by either excessive, insufficient or lack of protection of intellectual property rights, including practices and procedural deficiencies. These would establish prima facie nullification and impairment of advantages and benefits accruing from the General Agreement.

The Swiss proposal, like those of some other participants, also contains a national treatment and mfn/non-discrimination obligation.

12. The following are the full titles of the international treaties referred to in column one of the table:

- Paris Convention for the Protection of Industrial Property (WIPO) (1883, revised 1900, 1911, 1925, 1934, 1958 and 1967, and amended 1979);
- Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods (WIPO) (1891, revised 1911, 1925, 1934 and 1958; Additional Act 1967);
- Lisbon Agreement for the Protection of Appellations of Origin and Their International Registration (WIPO) (1958, revised 1967, and amended 1979);
- Treaty on Intellectual Property in respect of Integrated Circuits (WIPO)(1989);<sup>2</sup>.
- Berne Convention for the Protection of Literary and Artistic Works (WIPO) (1886, completed 1896, revised 1908, completed 1914, revised 1928, 1948, 1967 and 1971, and amended 1979);
- Universal Copyright Convention (Unesco) (1952, revised 1971);
- Geneva Convention for the Protection of Producers of Phonograms against Unauthorised Duplication of their Phonograms (WIPO, in co-operation with ILO and Unesco for matters relating to their respective fields of competence) (1971);
- Brussels Convention Relating to the Distribution of Programme-Carrying Signals Transmitted by Satellite (Unesco and WIPO) (1974).

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<sup>2</sup> Not yet in force.

CORRESPONDING PROVISIONS OF EXISTING  
INTERNATIONAL TREATIES

UNITED STATES  
(MTN.GNG/NG11/W/14/Rev.1)

A. GENERAL OBLIGATIONS

(1) Objectives

Article 10~~ter~~ of the Paris Convention requires member States to assure to nationals of other member States appropriate legal remedies effectively to repress all the acts referred to in Article 9 (concerning trademarks and trade names), Article 10 (concerning false indications of source) and Article 10~~bis~~ (concerning unfair competition).

Under the Berne Convention any party to the Convention undertakes to adopt, in accordance with its constitution, the measures necessary to ensure the application of the Convention which defines, in detail the works to be protected, the rights to be granted, etc. At the time when a country deposits its instrument of ratification or accession, it must be in a position under its domestic law to give effect to the provisions of the Convention (Article 36).

Under the Universal Copyright Convention, Contracting States undertake to provide for the effective (as well as adequate) protection of the rights of authors and of other copyright proprietors (Article 1).

The Phonograms Convention requires Contracting States to protect producers of phonograms against the making of duplicates without the consent of the producer and against the importation of such duplicates for the purpose of distribution to the public, and against the distribution of such duplicates to the public. The means by which the Convention is implemented are a matter for the domestic law, but they must include one or more of the following: protection by means of the grant of a copyright or other specific right; protection by means of the law relating to unfair competition, protection by means of penal sanctions (Articles 2 and 3).

- Effective economic deterrent to international trade in goods and services infringing IPRs through implementation of internal and border measures that deprive entities trading in infringing goods and services of the benefits of such activity.

- Effective means of preventing and deterring infringement of IPRs.

- Ensure that measures to enforce IPRs minimize interference with legitimate trade.

EUROPEAN COMMUNITIES

(MTN.GNG/NG11/W/31)

- Provision of effective procedures to protect IPRs against any act of infringement.
- Application of these procedures in such a manner as to avoid the creation of obstacles to legitimate trade.

JAPAN

(MTN.GNG/NG11/W/17)

- Effective and adequate enforcement to enable swift action against infringement and relief to IPR owners.
- Assurance that measures taken do not become barriers to any legitimate trade.

CORRESPONDING PROVISIONS OF EXISTING  
INTERNATIONAL TREATIES

UNITED STATES  
(MTN.GNG/NG11/W/14/Rev.1)

(1) Objectives (contd.)

The Brussels Convention (Satellites) requires that the measures undertaken by member States to prevent the distribution on or from their territory of programme-carrying signals be adequate (Article 2(1)).

The Treaty on Intellectual Property in respect of Integrated Circuits requires each Contracting Party to secure adequate measures to ensure the prevention of acts considered unlawful under the provisions of the Treaty and appropriate legal remedies where such acts have been committed (Article 3).

(2) Types of procedures to be provided

- Administrative, judicial or both types of procedures shall be available to enforce IPRs both internally and at the border.

(3) Procedures, general requirements

See (1) above

- Signatories shall designate a competent body and devote sufficient resources to ensure the prompt and effective enforcement of IPRs.



EUROPEAN COMMUNITIES  
(MTN.GNG/NG11/W/31)

JAPAN  
(MTN.GNG/NG11/W/17)

- Signatories shall protect IPRs by means of civil law, criminal law, administrative law or a combination thereof.

- Signatories shall establish and implement procedures at the domestic and border levels according to type of IPR.

- Judicial and/or administrative procedures.

- Procedures concerning the enforcement of IPRs shall not be unnecessarily complicated, costly or time consuming, nor shall they be subject to unreasonable time-limits.

- Adequate and effective procedures, providing for swift action.

- Procedures shall provide adequate opportunities for right holders, including foreign nationals, to make use of them. The term "right holder" means the right holder himself, any other person authorized by him or persons having legal standing under national law to assert such rights.

CORRESPONDING PROVISIONS OF EXISTING  
INTERNATIONAL TREATIES

UNITED STATES  
(MTN.GNG/NG11/W/14/Rev.1)

(4) Assurance of equitable procedures

- Procedures for the enforcement of IPRs, whether they be administrative or judicial, civil or criminal must ensure due process of law including:

(i) the right to receive written notice prior to commencement of proceedings which contains information sufficient to determine the basis of the dispute;

(ii) application of the same substantive standards for determining whether an enforceable IPR exists and whether it has been infringed with respect to all products whether imported or locally produced;

(iii) prompt, fair, reasonable, and effective means to gain access to and present to relevant judicial or administrative authorities statements of witnesses and information, documents, records and other articles of evidence for the enforcement of IPRs;

(iv) determinations in writing relating to the infringement of IPRs which must be reasoned and made in a fair and open manner.

EUROPEAN COMMUNITIES

(MTN.GNG/NG11/W/31)

JAPAN

(MTN.GNG/NG11/W/17)

- Decisions on the merits of a case shall, as a general rule, be in writing and reasoned. They shall be made without undue delay in a fair and open manner.

- All parties to civil judicial procedures shall be duly entitled to substantiate their claims and to present the evidence relevant for the establishment of the facts and the determination of the validity and infringement of the IPRs concerned, as well as to exercise their rights of defence. Decisions shall only be based on such facts in respect of which parties were offered the opportunity to be heard. Administrative procedures shall conform to equivalent procedures, inter alia in order to ensure effective equality of opportunities for imported products.

- The principle of due process of law must be ensured. Those subject to enforcement procedures must be given prior notification concerning the procedures and ample opportunities for explanation and defence.

CORRESPONDING PROVISIONS OF EXISTING  
INTERNATIONAL TREATIES

UNITED STATES  
(MTN.GNG/NG11/W/14/Rev.1)

(5) Rights of representation/presentation  
of evidence

- Procedures shall not impose overly burdensome requirements concerning personal appearances by the parties, but shall, to the greatest extent possible, permit the parties to appear through representatives and provide a fair and reasonable opportunity for all parties to present evidence, in writing or orally, or both, for consideration by the authorities. Subject to procedures and conditions to ensure reliability and fairness, such as cross-examination and disclosure of adverse information, signatories shall facilitate the acceptance of evidence, including expert testimony, and technical or test data, in order to assist in expediting and reducing costs of participating in enforcement procedures.

(6) Access to information

- Relevant authorities shall provide opportunities for the IPR owner, other parties to the proceeding and the governments of the affected countries, to see relevant, non-confidential information that is used by the authorities in a procedure relating to an enforcement action, and to prepare presentations based on this information.

EUROPEAN COMMUNITIES  
(MTN.GNG/NG11/W/31)

JAPAN  
(MTN.GNG/NG11/W/17)

- As indicated in (4) above, all parties to civil judicial procedures shall be duly entitled to substantiate their claims and to present the evidence relevant for the establishment of the validity and infringement of the IPRs concerned, as well as to exercise their rights of defence. Administrative procedures shall conform to equivalent procedures, inter alia in order to ensure equality of opportunities for imported products.

- As indicated in (4) above, in civil judicial procedures decisions shall only be based on such facts in respect of which parties were offered the opportunity to be heard. Administrative procedures shall conform to equivalent procedures, inter alia in order to ensure equality of opportunities for imported products.

CORRESPONDING PROVISIONS OF EXISTING  
INTERNATIONAL TREATIES

UNITED STATES  
(MTN.GNG/NG11/W/14/Rev.1)

(7) Treatment of confidential information

- Signatories shall provide a means to effectively identify and protect confidential information. Any information which is by nature confidential (for example, because its disclosure would be of significant competitive advantage to a competitor or because its disclosure would have a significantly adverse effect upon a person supplying the information or upon a person from whom he acquired the information or which is provided on a confidential basis for a procedure relating to an enforcement action) shall, upon cause shown, be treated as such by the authorities. Such information shall not be disclosed without permission of the party submitting it except pursuant to a protective order sufficient to safeguard the interest of such party.

(8) Facilitation of the obtaining of evidence

- Signatories shall facilitate the gathering of evidence needed for an enforcement or related action in the territory of another signatory. Procedures may be carried out in other countries to obtain statements of witnesses and information, documents, records, and other articles of evidence relating to an enforcement action, including the assessment of remedies. Signatories shall facilitate the taking of such statement and production of such materials in their territories by establishing adequate, timely and efficient procedures. Such procedures shall permit such evidence to be taken in any manner not prohibited by national law. A signatory may require prior notification of a competent authority before a statement is taken or materials produced.

- Signatories shall make available ex parte proceedings to preserve evidence and take other actions urgently required provided that the parties shall be provided subsequent notice of the action and the right to participate in an administrative or judicial procedure providing due process of law.

EUROPEAN COMMUNITIES  
(MTN.GNG/NG11/W/31)

JAPAN  
(MTN.GNG/NG11/W/17)

- Signatories shall provide for judicial procedures for the adoption, upon request by a right holder, of prompt and effective provisional measures to preserve the relevant evidence with regard to the alleged infringement.

- Unless this would be out of proportion to the importance of the infringement, the right holder shall be entitled, in civil judicial procedures, to be informed by the infringer, upon request, of the identity of the persons involved in the production and the channels of distribution of the infringing goods or services.

CORRESPONDING PROVISIONS OF EXISTING  
INTERNATIONAL TREATIES

UNITED STATES  
(MTN.GNG/NG11/W/14/Rev.1)

(9) Consequences of failure to provide  
information

- In cases in which a party to the proceeding or a government refuses to, or otherwise does not provide, necessary information within a reasonable period, or significantly impedes the procedure relating to an enforcement action, preliminary and final determinations, affirmative or negative, may be made on the basis of evidence presented by the opposing party.

(10) Avoidance of barriers to legitimate trade

- Safeguards against arbitrary action or abuse of procedures must be included.

- Signatories shall ensure that procedures to enforce IPRs minimize interference with legitimate trade.

- Parties shall make remedies available to provide indemnification in appropriate cases of persons wrongfully enjoined or restrained.

(11) Remedies and sanctions

See (1) above.

- Enforcement measures and sanctions must effectively deter infringing activity. Thus, signatories should undertake obligations to provide procedures to enforce rights against entities engaged in infringing activities and to provide appropriate remedies. In appropriate cases, this must include criminal sanctions.

- Sanctions and remedies shall be available against the producer, seller, distributor and in appropriate cases the user of an infringing good or service. Remedies against signatories, however, may be limited to payment of compensation to the owner of the IPR.



EUROPEAN COMMUNITIES  
(MTN.GNG/NG11/W/31)

JAPAN  
(MTN.GNG/NG11/W/17)

- Procedures and remedies applied by a signatory for the purpose of enforcing IPRs shall not constitute a means of arbitrary or unjustifiable discrimination between nationals of other signatories, or a disguised restriction to international trade.

- Signatories shall provide for safeguards against the abuse of enforcement procedures and for compensation of the injury suffered by a party which has been subject to such abuse.

- Signatories shall provide for remedies which effectively stop or prevent the infringement of IPRs, entitle the right holder to claim compensation of the injury caused by the infringement, and which consist of other measures which, while corresponding to the importance of the infringement in question, constitute an effective deterrent to further infringements.

- Innocent persons suffering damage as a result of preliminary injunctions or temporary orders wrongly based on the assumption that they were infringing IPRs shall be compensated by the petitioner.

- Sufficient sanctions on infringers.

CORRESPONDING PROVISIONS OF EXISTING  
INTERNATIONAL TREATIES

UNITED STATES  
(MTN.GNG/NG11/W/14/Rev.1)

(12) Right of judicial review

- Signatories shall provide the right of judicial review of initial judicial decisions on the merits of a case and final administrative decisions on the merits of a case in disputes arising in connection with the obtaining, maintaining or enforcing of IPRs.

EUROPEAN COMMUNITIES  
(MTN.GNG/NG11/W/31)

JAPAN  
(MTN.GNG/NG11/W/17)

- Final administrative decisions on the merits of a case concerning the protection of an IPR shall be subject to the right of appeal in a court of law.

- Dispositions by administrative authorities shall be reviewed judicially.

CORRESPONDING PROVISIONS OF EXISTING  
INTERNATIONAL TREATIES

UNITED STATES  
(MTN.GNG/NG11/H/14/Rev.1)

B. INTERNAL MEASURES

(1) Coverage

The enforcement provisions of the Paris Convention concern goods unlawfully bearing a trademark or trade name or in connection with which a false indication of the source of the goods or the identity of the producer, manufacturer or merchant has been directly or indirectly used. Remedies are provided for applying within the country as well as on importation. Goods in transit are specifically excluded from any obligation to effect seizure (Articles 9, 10 and 10~~ter~~). Acts of unfair competition are also covered by enforcement provisions of the Paris Convention (Articles 10~~bis~~ and 10~~ter~~).

The Madrid Agreement (Indications of Source) concerns goods having a false or deceptive indication by which one of the member States, or a place situated therein, is directly or indirectly indicated as being the country or place of origin. Remedies are provided for applying within the country as well as on importation; goods in transit are excluded from any obligation to effect seizure (Articles 1 and 2).

The Berne Convention provisions on enforcement concern the seizure of infringing copies of protected works. The remedy provided for applies in the country, in respect of infringing copies both produced in the country and imported (including from countries where the work is not protected or has ceased to be protected) (Article 16). Musical recordings made under a compulsory licence granted by a member State are liable to seizure if imported without permission into another member State (Article 13(3)).

- Civil procedures to enforce IPRs should apply at the point of production and commercial transactions, e.g., point of sale, offer for sale, lease, distribution, etc. as well as at the border

- Criminal procedures shall be available for at least trademark counterfeiting and copyright infringement which are wilful and commercial.

EUROPEAN COMMUNITIES  
(MTN.GNG/NG11/W/31)

JAPAN  
(MTN.GNG/NG11/W/17)

- Signatories shall provide for civil judicial procedures concerning the enforcement of any IPR internally and with regard to imports and exports.

- Signatories may provide for administrative procedures concerning the enforcement of IPRs.

- Signatories shall provide for criminal procedures and penalties to be applied in cases of wilful infringements of trademarks and copyright on a commercial scale.

Signatories may provide for criminal procedures and penalties to be applied in cases of infringement of any other IPR, in particular where it is committed wilfully and on a commercial scale.

- IPR infringements generally.

CORRESPONDING PROVISIONS OF EXISTING  
INTERNATIONAL TREATIES

UNITED STATES  
(MTN.GNG/NG11/W/14/Rev.1)

(2) Standing to initiate procedures

Article 9 of the Paris Convention states that seizure of goods unlawfully bearing a trademark or trade name shall take place at the request of the public prosecutor, or any other competent authority, or any interested party, whether a natural person or a legal entity, in conformity with the domestic legislation of each country. Article 10, which applies the provisions of Article 9 to false indications of source, states that any producer, manufacturer, or merchant, whether a natural person or a legal entity, engaged in the production or manufacture of or trade in such goods and established either in the locality falsely indicated as the source, or in the region where such locality is situated, or in the country falsely indicated, or in the country where the false indication of source is used, shall in any case be deemed an interested party. Article 10<sup>ter</sup> obliges member States to provide measures to permit federations and associations representing interested industrialists, producers, or merchants, provided that the existence of such federations and associations is not contrary to the laws of their countries, to take action in the courts or before the administrative authorities, with a view to the repression of the acts referred to in Articles 9 and 10, and also acts of unfair competition referred to in Article 10<sup>bis</sup>, in so far as the law of the country in which protection is claimed allows such action by federations and associations of that country.

The Berne Convention establishes a presumption of authorship; the author must, in the absence of proof to the contrary, be regarded as such, and consequently be entitled to institute infringement proceedings in the countries of the Union, if his name appears on the work in a usual manner; film producers whose names appear on films enjoy a similar presumption (Article 15).

Under the Lisbon Agreement, legal action required for ensuring the protection of appellations of origin may be taken in each of the member States under the provisions of the national legislation either at the instance of the competent Office or at the request of the public prosecutor, or by any interested party, whether a natural person or a legal entity, whether public or private (Article 8).

For Madrid Agreement (Indications of Source), see Section C (3) below.

- Procedures must be available to owners of IPRs and other persons authorized by the owner and having legal standing to determine the validity and enforceability of IPRs for the assertion of such rights against any legal or juridical person or governmental entity.

- Governments should initiate procedures ex officio where effective enforcement requires such action.

EUROPEAN COMMUNITIES  
(MTN.GNG/NG11/W/31)

JAPAN  
(MTN.GNG/NG11/W/17)

- Right holders. The term "right holder" means the right holder himself, any other person authorized by him or persons having legal standing under national law to assert such rights.

CORRESPONDING PROVISIONS OF EXISTING  
INTERNATIONAL TREATIES

UNITED STATES  
(MTN.GNG/NG11/W/14/Rev.1)

(3) Provisional measures

(a) nature and purpose

For Madrid Agreement (Indications of Source), see Section C below.

- Signatories must provide interim relief in the form of preliminary injunctions and other appropriate and prompt procedures to prevent the sale or other disposition of allegedly infringing goods pending a final determination on infringement.

- Signatories shall make available ex parte proceedings to preserve evidence and take other actions urgently required.

(b) general conditions

For Madrid Agreement (Indications of Source), see Section C below.

- In order to prevent abuse of interim procedures, signatories may require a rights owner to provide security up to an amount sufficient to hold the authorities and importer harmless from loss or damage resulting from detention where the goods are subsequently determined not to be infringing. However, such securities shall not unreasonably deter recourse to such procedures.



EUROPEAN COMMUNITIES  
(MTN.GNG/NG11/W/31)

JAPAN  
(MTN.GNG/NG11/W/17)

- Signatories shall provide for judicial procedures for the adoption, upon request by a right holder, of prompt and effective provisional measures:

to prevent an infringement of any IPR from occurring or being continued, and in particular to prevent the goods from entering commercial channels, including their importation and exportation, and

to preserve the relevant evidence with regard to the alleged infringement.

- Where appropriate, provisional measures may be adopted inaudita altera parte.

- The applicant shall be required either to provide any reasonably available evidence so as to permit the authority to establish with a sufficient degree of certainty that he is the right holder and that his right is being infringed or that such infringement is imminent, or to provide security sufficient to prevent abuse.

- Provisional measures shall be revoked or lapse where, notwithstanding a request by the defendant, proceedings leading to a decision on the merits of the case are not initiated within a period of one month after the notification of the provisional measures, unless determined otherwise by the court.

- Where provisional measures are to be carried out by customs authorities, the applicant may be required to supply any other information necessary for the identification of the goods concerned.

CORRESPONDING PROVISIONS OF EXISTING  
INTERNATIONAL TREATIES

UNITED STATES  
(MTN.GNG/NG11/W/14/Rev.1)

(c) conditions on ex parte proceedings

- Parties shall be provided subsequent notice of the action and the right to participate in an administrative or judicial procedure providing due process of law.

(d) indemnification of defendant

- Parties shall make remedies available to provide indemnification in appropriate cases of persons wrongfully enjoined or restrained.

(4) Civil remedies for infringement

(a) injunctions

- Final injunctions must be available.

EUROPEAN COMMUNITIES  
(MTN.GNG/NG11/W/31)

JAPAN  
(MTN.GNG/NG11/W/17)

- Where provisional measures are adopted inaudita altera parte, an oral hearing shall take place upon request of the defendant within a reasonable period after the notification of the measures, with a view to deciding whether these measures shall be revoked or confirmed.

- Where the provisional measures are revoked or where they lapse due to any action or omission by the applicant or where it is subsequently found that there has been no infringement or threat of infringement of an IPR, the defendant shall be entitled to claim from the applicant adequate compensation of any injury caused by these measures.

- Where the judicial authorities are satisfied that an infringement of an IPR has been or is about to be committed they shall be entitled, upon request and irrespective of whether the defendant has acted with intent or negligence, to issue an order that the infringement be refrained from or discontinued.

- Injunctions

CORRESPONDING PROVISIONS OF EXISTING  
INTERNATIONAL TREATIES

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(4) Civil remedies for infringement (contd.)

(b) seizure, forfeiture, destruction

Articles 9 and 10 of the Paris Convention provide for remedies in respect of goods unlawfully bearing trademarks or trade names or in connection with which a false indication of source has been directly or indirectly used. Certain of these remedies concern action at the border; for details see Section C (8) below. Other remedies concern action in the country. The goods in question must be seized in the country, whether it is the country in which the unlawful affixation took place or country into which the goods have been imported. If the country's legislation does not permit such seizure, then, until such time as the legislation is modified accordingly, these measures shall be replaced by the actions and remedies available in such cases to nationals under the law of that country.

The Madrid Agreement (Indications of Source) contains a similar hierarchy of remedies, with the additional requirement that, in the absence of special sanctions ensuring the prevention of false or misleading indications of source, the sanctions provided by the corresponding stipulations of the laws relating to trademarks or trade names shall be applicable (Article 1).

The remedy provided for in the Berne Convention is liability to seizure (Articles 13(3) and 16).

(c) damages

- Remedies for infringement of IPRs shall include seizure, forfeiture, destruction, and removal from commercial channels of infringing goods, or other effective action as may be appropriate.

- Monetary awards adequate to compensate fully owners of IPRs must be available. In appropriate cases, this should include provision of statutory damages.

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- Where an IPR has been found to be infringed, the right holder can, in accordance with the relevant provisions of national law and where this would not be out of proportion to the infringement in question, for example in cases of deliberate and flagrant infringements of an IPR, request that the infringing goods, including materials and implements predominantly used in their creation, be, without compensation of any sort, forfeited, and destroyed or disposed of outside the channels of commerce in such a manner as to minimize any harm caused to him, or that, as applicable, any other measures be taken having the effect of effectively depriving those responsible for the infringement of the economic benefits of their activity and constituting an effective deterrent to further activities of the same kind.

- The right holder shall be entitled to obtain from the infringer adequate compensation of the injury he has suffered because of a deliberate or negligent infringement of his IPR and to recover the costs reasonably incurred in the proceedings. The compensation may, in particular, consist of the restitution as far as possible of the situation as it existed prior to the infringement and of the recovery in appropriate cases of the profits resulting from the infringement. In appropriate cases recovery of profits may be granted even where the infringer has not acted intentionally or negligently.

- Compensation for damages.

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(5) Criminal sanctions

- Criminal remedies shall include seizure of infringing goods, materials and implements used in their creation, and forfeiture of such articles, imprisonment, and monetary fines.

(6) Indemnification of defendant

- Parties shall make remedies available to provide indemnification in appropriate cases of persons wrongfully enjoined or restrained.

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- Such remedies shall include imprisonment and monetary fines sufficient to provide an effective deterrent.

- Sufficient sanctions on infringers.

- Parties wrongfully enjoined or restrained by any civil judicial measures taken for the purpose of enforcing IPRs shall be entitled to claim adequate compensation of the injury suffered because of an abuse of enforcement procedures and to recover the costs reasonably incurred in the proceedings. Signatories may provide for the possibility that these parties may in appropriate cases claim compensation from the authorities.

- Innocent persons suffering damage as a result of preliminary injunctions or temporary orders wrongly based on the assumption that they were infringing IPRs shall be compensated by the petitioner.

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C. SPECIAL REQUIREMENTS RELATED TO BORDER MEASURES

(1) General requirement

- Signatories shall provide means to initiate procedures to enforce IPRs against imported infringing goods before they are released from the jurisdiction of the customs authorities. It is left to each signatory to determine if the means are judicial or administrative in nature.

(2) Coverage

(a) of IPRs

Paris Convention: Goods unlawfully bearing protected trademarks or trade names or in connection with which a false indication of the source of the goods or the identity of the producer, manufacturer or merchant has been directly or indirectly used (Articles 9(1) and 10(1)).

- All IPRs

Madrid Agreement (Indications of Source):  
Goods having a false or deceptive indication by which one of the member States, or a place therein, is directly or indirectly indicated as being the country or place of origin (Article 1).



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- Signatories shall establish procedures according to which a right holder, who has valid grounds for suspecting that the importation of counterfeit goods is contemplated, may lodge an application in writing with the competent authorities for the suspension by the customs authorities of the release into free circulation of such goods.

- For members of a customs union, the term "border" is understood to apply to their border to countries or areas which are not part of the union, and the term "territory" is understood as the customs territory of the union.

- Counterfeit goods which for the purpose of this section are understood to be those bearing without authorization a trademark which is identical to a trademark validly registered in respect of such goods in or for the signatory in the territory of which the goods are declared for importation, or which cannot be distinguished in its essential aspects from such a trademark.

- Signatories may establish procedures concerning any goods which, prima facie, infringe any other IPR.

- As the negotiations progress, the Community will, in addition to its present suggestions, wish to examine the possibility of going beyond the proposed minimum requirement for intervention by customs authorities, in particular in order to explore the possibility of introducing a commitment that parties adopt procedures in accordance with which customs authorities could detain goods infringing any IPR. In implementing such a commitment, allowance would be made for differences in national legal systems, including the relationship between courts and customs, as well as differences between IPRs.

- Japan calls for the establishment and implementation of procedures at the domestic and border levels according to the type of IPR, but does not specifically suggest special requirements in relation to border measures.

- See (1) above.

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(b) of acts involving those IPRs

The Paris Convention and Madrid Agreement (Indications of Source) provide for the application of measures against importation. Goods in transit are excluded from any obligation to effect seizure.

The Phonograms Convention provides for protection against the importation of duplicates of phonograms made without the consent of the producer if it is done for the purpose of distribution to the public (Article 2).

- Importation of infringing goods.
- Procedures shall also apply to goods in transit provided that they cover goods infringing an IPR of the country through which the goods were being shipped.

(3) Standing to initiate procedures

For Paris Convention, see Section B (2) above.

Under the Madrid Agreement (Indications of Source), seizure takes place at the instance of the customs authorities, which must immediately inform the interested party, whether an individual person or a legal entity, in order that such party may, if he so desires, take appropriate steps in connection with the seizure effected as a conservatory measure. However, the public prosecutor or any other competent authority may demand seizure either at the request of the injured party or ex officio; the procedure will then follow its normal course (Article 2(1)).

- Owners of IPRs and other persons authorized by the owner and having legal standing.
- Seizure of goods at the border by competent authorities may be either ex officio, sua sponte or at the request of the rights holder when the competent authorities are satisfied that imported goods infringe an IPR.

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- Importation of counterfeit goods.
- Where goods have been put on the domestic market or the market of a third country with the consent of the right holder, the fact that he has not agreed that the goods are imported or reimported, or that they are imported under conditions other than those agreed by him, shall not be sufficient reason for direct border intervention.
- Signatories may provide for corresponding procedures concerning the suspension by the customs authorities of the release of counterfeit goods destined for exportation from their territory.
- The provisions shall not apply to small quantities of goods of a non-commercial nature contained in travellers' personal luggage or sent in small consignments.
- Right holder. The term "right holder" means the right holder himself, any other person authorized by him or persons having legal standing under national law to assert such rights.
- Signatories may require customs authorities to act upon their own initiative and to suspend the release of goods falling under (2) above where they have acquired a sufficient degree of certainty that an IPR is being infringed. In this case, the customs authorities may at any time seek from the right holder any information that may assist them to exercise these powers.

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(4) Requirements for initiation of  
procedures by IPR owners

(a) application

Articles 9 and 10 of the Paris Convention provide for seizure at the request of an interested party. The Madrid Agreement (Indications of Source), while providing that the public prosecutor or any other competent authority may demand seizure either ex officio or at the request of the injured party, does not provide for seizure to take place at the request of an interested party (Article 2(1)).

- A party initiating the procedures must address himself to an authority which must be designated for this purpose by each signatory.

(b) information to be provided

- The person initiating the procedures shall be required to present adequate evidence of the right to protection in accordance with the relevant laws of the country of importation.

(c) Provision of security

- In order to prevent abuse of border enforcement measures, signatories may require a rights owner to provide security up to an amount sufficient to hold the authorities and importer harmless from loss or damage resulting from detention where the goods are subsequently determined not to be infringing. However, such securities shall not unreasonably deter recourse to such procedures.

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- A right holder, who has valid grounds for suspecting that the importation of counterfeit goods is contemplated, may lodge an application in writing with the competent authorities.

- The application must be accompanied by proof that the applicant is the right holder. It must contain all pertinent information available to the applicant to enable the competent authority to act in full knowledge of the facts, and a sufficiently detailed description of the goods to enable them to be recognized by the customs authorities. The applicant may also be required to supply any other information necessary for the identification of the goods concerned. The application must specify the length of period for which the customs authorities are requested to take action.

- Signatories may require a right holder who has lodged an application to provide a security. Such a security or equivalent assurance shall be required in the context of procedures other than those relating to counterfeit goods.

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(5) Conditions on detention of goods  
by customs

The Madrid Agreement (Indications of Source) requires that, where seizure takes place at the instance of customs authorities, they must immediately inform the interested party, whether an individual person or legal entity, in order that such party may, if he so wishes, take appropriate steps in connection with the seizure effected as a conservatory measure. If seizure is demanded by the public prosecutor or any other competent authority, the Madrid Agreement provides that the procedure will then follow its normal course (Article 2(1)).

- When the competent authorities have reason to believe imported goods may be infringing, they shall detain such goods pending a determination whether the goods are infringing.

(6) Inspection of detained product by right  
holder

(7) Release of information concerning other  
parties to the transaction

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- If, within two weeks following the notification of the suspension of the release of goods in response to an application by a right holder, the customs authorities have not been informed that the matter has been referred to the authority competent to take a decision on the merits of the case, or that the duly empowered authority has taken provisional measures, the goods shall be released, provided that all other conditions for importation or exportation have been complied with. In exceptional cases, the above time-limit may be extended by another two weeks.

- Without prejudice to the protection of confidential information, the right holder shall be given sufficient opportunity to inspect any product detained by the customs authorities in order to substantiate his claims.

- Unless this would be contrary to provisions of national law, the customs authorities shall inform the right holder, upon request, of the names and addresses of the consignor, importer, consignee and of the quantity of the goods in question.

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(B) Remedy

In regard to goods unlawfully bearing protected trademarks or trade names or in connection with which a false indication of source has been directly or indirectly used, the Paris Convention contains an obligation to seize them on importation if a country's legislation permits such seizure. If this is not the case, the country in question must replace this by prohibition of importation or seizure inside the country. However, the Paris Convention allows that even these replacement measures might not exist and, if this is the case, until such time as the legislation of a country is modified accordingly, these replacement measures shall be substituted by the actions and remedies available in such cases to nationals under the law of such country (Articles 9 and 10).

- See section B(4) above.

The Madrid Agreement (Indications of Source) contains a similar hierarchy of remedies, with the additional requirement that in the absence of any special sanctions ensuring the prevention of false or misleading indications of source, the sanctions provided by the corresponding stipulations of the laws relating to marks or trade names shall be applicable (Article 1).



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- Where the action is initiated by an application from a right holder:

- See section B(4) above.

Without prejudice to the other rights of action open to the right holder, and subject to the right of the defendant to lodge an appeal to the judicial authorities, the competent authorities shall, as a general rule and in accordance with the relevant provisions of national law, and where this would not be out of proportion to the infringement in question, provide for the forfeiture of the infringing goods and destroy them or dispose of them outside the channels of commerce in such a way as to minimize harm to the right holder without compensation of any sort. They may in respect of such goods take any other measures having the effect of effectively depriving those responsible for the infringement of the economic benefits of their activity and constituting an effective deterrent to further activities of the same kind. Other than in exceptional cases, with regard to counterfeit goods the simple removal of the trademarks affixed without authorization shall not be regarded as having such effect. The authorities shall not order the re-exportation of the goods in an unaltered state or subject them to a different customs procedure.

- Where the action is initiated by customs on their own initiative:

Without prejudice to the other rights of action open to the right holder and subject to the right of the defendant to lodge an appeal to the competent judicial authorities, signatories shall, where this would not be out of proportion to the infringement in question, for example in cases of deliberate and flagrant infringements, provide for the forfeiture of the goods thus detained by the customs authorities and for their destruction or disposal outside the channels of commerce in such a manner as to minimize harm to the right holder.

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D. ACQUISITION OF IPRS

(1) Duration of procedure

(2) Inter-partes procedures

Article 6bis of the Paris Convention provides for rules on opposition procedures in regard to well-known marks.

(3) Right of appeal

- Signatories shall provide the right of judicial review of initial judicial decisions on the merits of a case and final administrative decisions on the merits of a case in disputes arising in connection with the obtaining, maintaining or enforcing of IPRs.

(4) Other general principles

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- Where the acquisition of an IPR covered by this Agreement is subject to the IPR being granted or registered, signatories shall provide for procedures which permit, subject to the substantive conditions for acquiring the IPR being fulfilled, the granting or registration of the right within a reasonable period of time so as to avoid that the period of protection is unduly curtailed.

- Where the national law provides for opposition, revocation, cancellation or similar inter-partes procedures, they shall take into account the legitimate interests of the applicant or holder of an IPR, in particular in an expeditious conclusion of such proceedings, as well as the interests of the other party, in particular in presenting its side of the case.

- Final administrative decisions concerning the acquisition of an IPR shall be subject to the right of appeal in a court of law or quasi-judicial body.

- Procedures concerning the acquisition of IPRs shall be governed by the general principles set out in Section A at (3), (4) (first indent) and (10) (first indent).