

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

MTN.GNG/NG11/W/62

29 January 1990

Special Distribution

Original: English

Group of Negotiations on Goods (GATT)

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

ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS

Submission by Austria

The following submission has been received from the Permanent Delegation of Austria, with the request that it be circulated to members of the Negotiating Group.

In her earlier submission (MTN.GNG/NG11/W/55) Austria submitted proposals concerning international standards and principles as well as ideas on basic principles for a TRIPS instrument.

The purpose of this paper is to elaborate on aspects of enforcement of intellectual property rights and to complement the earlier submission, as an effective enforcement mechanism on an internationally agreed basis is the other side of the same coin of international property rights protection. Thus, the basic principles as outlined in W/55, namely national treatment, MFN, transparency are - in principle - applicable to enforcement too.

Effective enforcement of IPRs is necessary to enable right holders to enjoy agreed international standards and principles and to avoid or at least minimise the trade distorting effects of IPR infringements.

All enforcement procedures shall be based on legal provisions and shall provide for an adequate protection of all IPRs, without creating unnecessary barriers to legitimate trade. The purpose of a TRIPS instrument cannot be the harmonisation of the different legal systems, but should assure a similar level of effective protection for IPR holders in all participating countries.

Therefore, in order to ensure a significant reduction of the trade distorting effects of infringement of IPRs, a comprehensive participation in a future instrument is necessary.

I. Internal regular procedures and remedies

1. As a general principle, Austria is in favour of fair, equitable and speedy internal enforcement measures by ordinary courts or administrative bodies at the initiative of the infringed right holder.

It must be recognised that infringements of IPRs do not only occur in international trade but also domestically. However, these domestic infringing activities have a direct bearing on international trade as they produce trade distorting effects. Therefore, all procedures provided shall be applicable to remedy this international aspect of IPR infringement.

2. Access to the competent authorities and procedures for enforcing IPRs protection should be granted without any discrimination to right holders of any nationality of participating states (MFN, non-discrimination) in the same way as to nationals of the state of application (national treatment) and without distinction whether the goods or services concerned are domestically produced or imported.

However, in procedural or administrative matters, such as the requirement for foreign nationals to provide a reasonable security for legal procedures, limited and well defined exceptions from national treatment should be permitted, as long as they do not amount to disguised means of creating obstacles to legitimate trade or serve to preclude foreign nationals from effective enforcement of their rights.

Parties to an enforcement procedure shall have the right to be represented before the competent national authorities in accordance with the national legislation. The rights of all parties to an enforcement procedure, plaintiffs and defendants, should be well balanced and equitable.

3. Where an IPR is found to have been infringed, the right holder shall be entitled to claim adequate compensation for damages suffered. Furthermore, the right holder shall be entitled to request that those found responsible for the infringement be deprived from any economic benefit of their activity.

The right holder shall have the means at his disposal to make sure that infringing goods or services are permanently removed from domestic and international commercial channels.

In cases of wilful infringement compensation may include not realised profits (lucrum cessans).

In cases of wilful infringement of IPRs participating states should also provide for criminal sanctions.

To avoid any continuation of the infringing activity in the future, the right holder shall be entitled to demand that the implements, machinery and other means having served solely or mainly for the production of the infringing goods or services are rendered unusable or be confiscated.

4. The right holder should be entitled to recover costs reasonably incurred to protect his rights.
5. Parties wrongfully charged with infringing goods or services shall be entitled to claim adequate compensation for the injury suffered and to recover costs reasonably incurred to protect their rights.
6. In order to facilitate the detection and prevention of infringing activities, international cooperation to obtain, upon request, information on the identity of the persons involved in the production and the channels of distribution of infringing goods or services, should be improved.
7. All enforcement procedures shall grant a right of appeal to the parties involved. The right of first appeal may be to a higher administrative authority, but the legislation of each participating state shall provide for the right of final appeal to a judicial or quasi-judicial authority.

II. Provisional measures, including measures at the border

8. Right holders, having valid grounds for suspecting that goods or services infringing their rights are or are about to be imported in a participating state, may apply to the competent authorities to block or suspend their release into commercial channels.

The scope of infringements covered by border measures, i.e. only a few such as trademark infringements or all, still needs further consideration.

9. Participating states should provide the possibility for right holders to take provisional measures applicable to infringing goods or services produced locally or already brought into the commercial channels of a participating state.

10. Right holders must substantiate their application by

- making credible their title to the allegedly infringed IPR,
- supplying a sufficiently detailed description of the goods or services to enable the authorities to identify them,
- submitting all pertinent information available to the right holder to enable the competent authority to act on the application in full knowledge of the facts,
- specifying the length of time the customs authorities are requested to take specific actions.

11. Authorities may require applicants to provide a reasonable security to cover costs and possible damages.

12. Provisional measures at the border shall cease to be effective if right holders do not initiate any regular action at the ordinary competent authority within ten working days.

13. If Participating states provide for ex officio action of their customs authorities they should only do so in cases where sufficient information is available to identify infringing goods or services with a high degree of certainty. Ex officio actions shall be reserved to cases where not only private but also public interests are involved.

III. Transparency

14. The relevant national enforcement rules of general application shall be published and notified to the parties of a future TRIPS instrument and/or the GATT secretariat or any body to be set up by the future instrument.

Such notification will foster effective enforcement measures and enhance the international cooperation set out in paragraph 6.

15. Austria would like to draw the attention of the Negotiating Group to the practical problem whether these notifications should be made in one of the GATT-languages.

IV. Acquisition of IPRs

16. As this submission deals with procedural matters, Austria would like to refer back to paragraph 8 of her submission W/55 which deals with registration procedures for IPRs where applicable.

The relevant section reads:

"8.2 All registration procedures should be speedy and all costs and fees involved should be reasonable. Ineffective and slow procedures may amount to an obstacle to trade and unreasonably high costs may deter especially small and medium sized companies from seeking international protection of their intellectual property rights. Whenever multiple registration or deposit requirements have to be met, fees should be degressive."