



Civil and Criminal Remedies: TRIPS Agreement

**Workshop on Building Respect for IP Rights
October 19, 2016 - Kyiv, Ukraine**

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Procedures & Remedies: International Level

- TRIPS, Part III (“*Enforcement of IPRs*”)
 - Civil and administrative procedures
 - Provisional measures
 - Border measures
 - Final remedies
 - Criminal procedures
- Other treaties:
 - Paris Convention: Art. 9; 10; 10*ter* (see TRIPS, Art. 2)
 - Berne Convention: Art. 13; 15; 16 (see TRIPS, Art. 2)
 - WCT: Art. 11; 12; 14 – WPPT: Art. 18; 19

TRIPS, Part III: IPR Enforcement

Balance of interests (Art. 41):

- Ensuring effective action, including expeditious remedies to prevent infringements

But also:

- Avoiding the creation of barriers to legitimate trade (Art. 41.1);
- Providing safeguards against the abuse of procedures (Art. 41.1; Art. 48);
- Ensuring fair and equitable procedures: rights of defendants (Art. 42; Art. 50.4-7; etc.).

TRIPs Baseline

- Art. 41(1) *Members shall ensure that enforcement procedures as specified in this Part are available under their law so as to permit effective action against any act of infringement of intellectual property rights covered by this Agreement, including expeditious remedies to prevent infringements and remedies which constitute a deterrent to further infringements. These procedures shall be applied in such a manner as to avoid the creation of barriers to legitimate trade and to provide for safeguards against their abuse.*

Civil Procedure on the Merits (Art. 42-49)

- Civil judicial procedures to be available (Art. 42)
 - Right of representation
 - No “overly burdensome” requirements of personal appearance
 - Defendant entitled to timely, sufficiently detailed written notice
 - Parties to be entitled to substantiate claims and to present all relevant evidence
 - Procedures to protect of confidential information
- Where a civil remedy results from administrative procedures on the merits of a case, procedures must conform to same principles (Art. 49)

Provisional measures

- TRIPS, Art. 50

- “Prompt and effective provisional measures” (Art. 50)
- Interim injunction to prevent infringement, including an order to prevent entry into commerce of imported goods immediately after customs clearance; or
- To preserve relevant evidence in regard to alleged infringement
- May be without notice to defendant, if likely that delay will cause irreparable damage to RH or demonstrable risk that evidence will be destroyed

- Ukraine: Art.153, Civil Procedure Code/Art. 67, Commercial Procedure Code

Exercise of judicial discretion

- Objective: to prevent the outcome of the proceedings from being frustrated, either through irreparable damage to plaintiff or destruction of evidence
- Proportionality
- Undertaking in damages – security, proof of solvency
- Duty of disclosure in *ex parte* proceeding

Provisional Measures

■ TRIPS, Art. 50

- Court may require “any reasonable evidence” of infringement or its imminence, and to order security or other protection against abuse
- Ex parte order must be notified to Defendant without delay after execution and must be subject to review on request within a reasonable period
- Automatic revocation if no proceedings on merits within a reasonable period to be determined by court; failing determination, 20 working days or 31 calendar days, whichever is the longer.
- Plaintiff may be required to compensate if measures lapse due to act or omission of plaintiff or it is found there was no infringement.

Orders to Disclose Evidence

■ TRIPs, Article 43: Evidence

1. The judicial authorities shall have the authority, where a party has presented reasonably available evidence sufficient to support its claims and has specified evidence relevant to substantiation of its claims which lies in the control of the opposing party, to order that this evidence be produced by the opposing party, subject in appropriate cases to conditions which ensure the protection of confidential information.

Right of Information

- TRIPs, Article 47: Right of Information

Members may provide that the judicial authorities shall have the authority, unless this would be out of proportion to the seriousness of the infringement, to 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 services and of their channels of distribution.

Hungary: Act XI of 1997 on the protection of trade marks and geographical indications

Article 27

(2) (c) [TM holder] may demand that the infringer give information on the identity of persons involved in the production and distribution of the infringing goods or the provision of infringing services and of their channels of distribution...

(5) The holder may submit the claim referred to in paragraph (2)(c) also against any person who:

- (a) was found in possession of the infringing goods on a commercial scale;
- (b) was found to be using the infringing services on a commercial scale;
- (c) was found to be providing on a commercial scale services used in infringing activities;
- (d) was indicated by the person referred to in points (a) to (c) as being involved.

Final Remedies

- Injunctions (Art. 44)
 - Judicial Authorities shall have the authority to order a party to desist from an infringement
 - *May* make exception for goods acquired in good faith before knowledge of potential to infringe
- Damages (Art. 45)
 - “adequate to compensate for the injury” by infringer who “knowingly, or with reasonable grounds to know, engaged in infringing activity”
 - Power to order payment of expenses, including attorneys’ fees
- Destruction/disposal of infringing goods, materials and implements

Final Remedies: Injunctions

- Final injunctions – principles
- Judicial discretion – but presumption in practice
- Damages an inadequate remedy
 - *Repeated wrongs*
 - *Loss hard to measure*
 - *Damages hard to recover*
- Exceptionally: damages in lieu where *oppressive* to defendant

Ukraine: Law of 23 December 1993 No. 3792-XII on Copyright and Related Rights

Civil Law Remedies for the Protection of Copyright and Related Rights

Article 52

(2). A court of law shall have the right to issue a resolution or award concerning:

(a) reimbursement of moral (non-proprietary) damages resulting from an infringement of copyright and/or related rights, specifying the amount of the reimbursement;

(b) reimbursement of damages resulting from an infringement of copyright and/or related rights;

(c) collection from the infringing party of copyright and/or related rights of income derived from the infringement;

(d) payment of compensation, to be prescribed by the court, ranging from 10 to 50,000 minimum salaries, in lieu of damage reimbursement or income collection

Border Measures (Art. 51-60)

- Suspension of release of alleged infringing goods.
- Against the importation of goods suspected to be counterfeit trademark goods or pirated copyright goods (defined in footnote 14)
- Member States may go further: goods involving infringement of other IPRs

Footnote 14 (a)

- “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 the country of importation

Footnote 14 (b)

- “pirated copyright goods” shall mean any goods which are copies made without the consent of the right holder or person duly authorized by the right holder in the country of production and which are made directly or indirectly from an article where the making of that copy would have constituted an infringement of a copyright or a related right under the law of the country of importation.

Border Measures (Art. 51-60)

Art. 51 – footnote 14

WTO Panel, “*China – Measures affecting the protection and enforcement of IPRs*” (WT/DS362/R), par. 7.520:

- **counterfeit trademark goods** // trademark counterfeiting ≠ trademark infringement
- **pirated copyright goods** // copyright piracy ≠ copyright infringement

Border Measures (Art. 51-60)

How does it work?

- Application to Competent Authorities (CA) by the right holder with sufficient evidence of a *prima facie* infringement in the country of importation (Art. 52)
- CA decide to accept the application or not, and inform the applicant (Art. 52)
- CA may require a security or equivalent assurance: protection against abuse of right (Art. 53(1))

Border Measures (Art. 51-60)

- Effective suspension of release of goods by Customs - notification to the applicant and the importer (Art. 54)
- Effective suspension of release of goods for a period of time: 10 (+ 10) working days for applicant to initiate a procedure on the merits or for the duly empowered authority to take provisional measures (Art. 55)
- If not, release of the goods
- Power to permit inspection to substantiate or contest claim (Art. 57)

Border Measures (Art. 51-60)

Options:

- Exports (Art. 51)
- *Ex Officio* Action by CA, without application from the right holder (Art. 58)
 - exemption from liability of officials where actions are taken or intended in good faith (Art. 58(c))
- Information for the right holder as to names and addresses, quantity of goods
- *De Minimis* Imports (Art. 60)
- Parallel imports (fn 13)

TRIPs Agreement – Criminal Procedures

Article 61

Members shall provide for criminal procedures and penalties to be applied at least in cases of wilful trademark counterfeiting or copyright piracy on a commercial scale. Remedies available shall include imprisonment and/or monetary fines sufficient to provide a deterrent, consistently with the level of penalties applied for crimes of a corresponding gravity. In appropriate cases, remedies available shall also include the seizure, forfeiture and destruction of the infringing goods and of any materials and implements the predominant use of which has been in the commission of the offence...

Disposal of goods, materials and implements

Article 46

- Judicial authorities shall have the authority to order:
 - Infringing goods be disposed of outside the channels of commerce in such a manner as to avoid any harm caused to the right holder, or, unless this would be contrary to existing constitutional requirements, destroyed.
 - Materials and implements the predominant use of which has been in the creation of the infringing goods be disposed of outside the channels of commerce in such a manner as to minimize the risks of further infringements
 - Without compensation of any sort
 - Need for proportionality between seriousness of infringement and the remedies ordered and interests of third parties to be taken into account.

Enforcement and Public Policy

Article 8

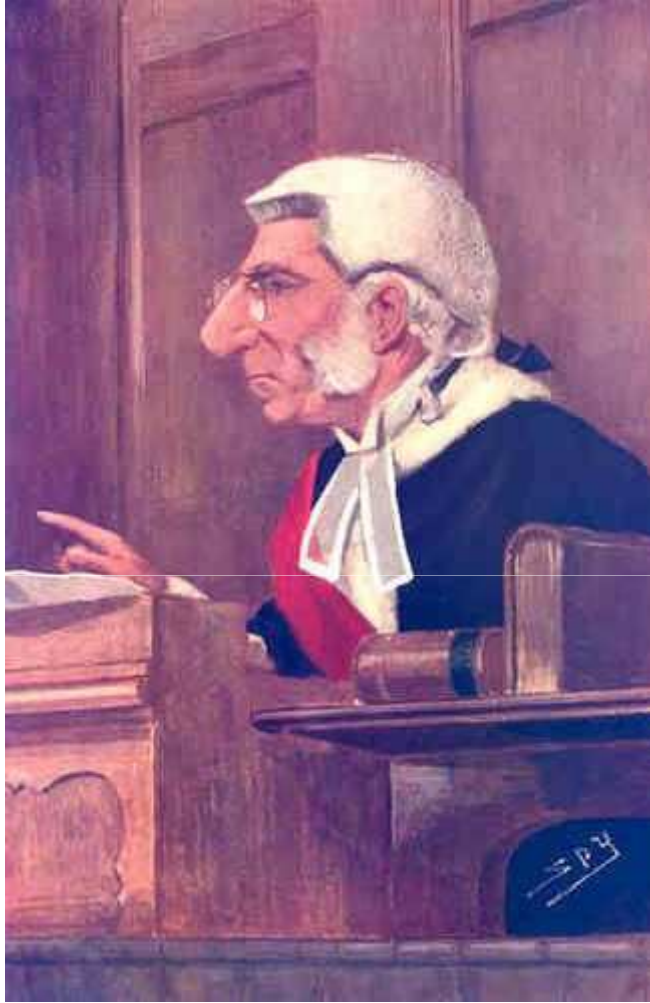
Principles

1. Members may, in formulating or amending their laws and regulations, adopt measures necessary to protect public health and nutrition, and to promote the public interest in sectors of vital importance to their socio-economic and technological development, provided that such measures are consistent with the provisions of this Agreement.
2. Appropriate measures, provided that they are consistent with the provisions of this Agreement, may be needed to prevent the abuse of intellectual property rights by right holders or the resort to practices which unreasonably restrain trade or adversely affect the international transfer of technology.

Enforcement and Public Policy

■ How are balance and fairness enforced?

- *Antitrust law*
- *Abuse of process torts*
- *Unfair competition (Paris: 10 bis)/Threats actions*
- *Indemnification/costs: TRIPS: 48, 50(7), 53(1), 56*
- *Professional conduct rules*



Thank you for your attention!