

Interpretation to the Directions for Customs Authorities in Implementing Measures for Protection of Trademark & Copyright

Over the last few years, with the rapid development of international commerce, the protection of intellectual property rights has become an international trend that receives the attention of governments around the world. The Republic of China Government is no exception. Besides actively promoting liberalization and internationalization of trade, the Government has devoted great energy to protection of intellectual property rights so as to enhance Taiwan's image and international reputation. Since Taiwan's accession to the World Trade Organization (WTO), there will be more and more trading in goods and services between our marketplace and others, which means that it is even more imperative that this country meet its international obligations where intellectual property right protection is concerned.

Intellectual property rights are highly complicated in nature and they involve the rights and interests of both intellectual property right owners and alleged infringers of such rights. Many intellectual property disputes, especially over licensing, sublicensing and parallel importing, are too complex to be determined by customs authorities within a rush time. Pursuant to the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights ("TRIPS"), in principle intellectual property rights are private rights, and the customs authorities, in implementing border controls for the purpose of protecting intellectual property rights, should do so in a fair and equitable manner, and also should avoid getting involved in disputes between rights owners and importers/exporters, or becoming a barrier to international trade.

The Government firmly enforces its policies of promoting liberalization and internationalization of trade, strengthening protection of intellectual property rights, protecting the legal interests of intellectual property right owners as well as consumers, and establishing proper market order. In implementing intellectual property right protection measures on the borders, customs authorities are faced with a difficult and complicated task, and one that requires a higher level of expertise than the collection of duty and anti-smuggling operation, which were previously the primary tasks of customs authorities. In light of these concerns, these Directions have been issued so as to provide guidance for customs personnel in protecting trademark rights and copyrights, and to enhance the effectiveness of preventive operations. However, given that it is difficult presently to increase the staff number at Customs, in principle intellectual property right protection will be provided on a complaint-based basis, so as to avoid impediments to ordinary trade and other usual workload of Customs. Nevertheless, cases that are advised by rights owners, their authorized agents, owner associations or notified by other authorities may be handled in accordance with relevant provisions of the *Customs Act*, *Foreign Trade Act*, *Copyright Act*, *Trademark Act*, *Code of Civil Procedure* and *Code of Criminal Procedure*.

Directions for Customs Authorities in Implementing Measures for

Protection of Trademark & Copyright
Issued by Gazette Tai- Zong-Jyu-Ci-No.0920103926 dated
June 10, 2003; Amended and Issued by Order Tai-Zong-Jyu-
Ci-No.0931008469 dated May 20, 2004

1. These Directions have been issued for the purpose of protecting the rights and interests of trademark and copyright owners in accordance with the intent of the World Trade Organization's ("WTO") Agreement on Trade-Related Aspects of Intellectual Property Rights ("TRIPS") and relevant laws and regulations of the Republic of China, on a fair and equitable basis, so as to promote regular international trade and avoid creation of barriers to customs clearance.
2. Under the Directions, the customs authorities will act primarily on the complaint from the right owners. However, where customs authorities are advised by right owners, licensees of right owners, agents for right owners, owners associations or notified by other authorities, resulting in discovery of goods suspected of infringing trademark rights or copyrights, relevant provisions of Customs Act, Foreign Trade Act, Copyright Act, Trademark Act, Code of Civil Procedure and Code of Criminal Procedure shall apply.
3. Procedures for complaint-based protection:
 - (1) Information to be submitted upon lodging a complaint:

Where a trademark or copyright owner (including exclusive licensee of such owner) or its agent finds that imported or exported goods are in infringement of its trademark right or copyright, it shall lodge a complaint in writing to the Directorate General of Customs or the customs office at the place of importation or exportation. Upon lodgment of such a complaint, the following information shall be submitted:

 - (i) Facts of the infringement, and explanations for identification of the infringing goods;
 - (ii) Relevant substantive information including name of importer/exporter suspected of committing the infringement, name of goods, ports and dates of importation/exportation, voyage or flight numbers, container numbers, place of storage of goods.
 - (iii) Trademark registration documentation, copyright certificate, or other documentation sufficient to evidence ownership of copyright. Where the complaint is lodged by agent for the owner, evidence of agency shall also be submitted.
 - (2) Notice of whether complaint will be accepted:

Upon receiving a complaint pursuant to paragraph (1) above, the customs authorities shall determine whether there are substantive contents to the complaint. If the complaint is accepted, the complainant shall be notified; if the complaint is not accepted, the complainant shall also be notified (where necessary, the customs authorities may notify the complainant to provide explanations of the complaint in person) and provided with an explanation of reasons for not accepting the complaint.
 - (3) Notice of identification procedures:

Where a customs authority accepts a complaint and finds that the goods in question are consistent with contents of the complaint, it shall promptly notify the complainant by telephone and facsimile, and the complainant shall attend the office of the relevant customs authority within a prescribed period after receiving the notice (4 hours for exportation by air, 1 business day for importation/exportation by sea and importation by air) to identify the goods. The customs authority shall also notify the importer or exporter of the goods by telephone and facsimile to provide license information.

(4) Handling procedure of cases suspected of trademark infringement:

Where a complainant identifies goods as being suspected of trademark infringement:

- (i) Where the exporter/importer is unable to provide licensing documentation or other documentation evidencing non-infringement, the customs authority shall transfer the case to the judicial authorities in accordance with the Trademark Act (and also notify the Intellectual Property Office of the Ministry of Economic Affairs).
- (ii) Where the exporter/importer provides licensing documentation or other documentation evidencing non-infringement, the customs authority shall promptly notify the complainant; where the complainant does not produce substantive evidence to the contrary, the customs authority shall release the goods after taking representative samples. However, where the complainant produces substantive evidence to the contrary, and within three (3) business days applies to the customs authority for seizure of the goods by depositing a bond or equivalent guarantee pursuant to Article 65, Paragraph 2 of the Trademark Act, or applies to the court for preservation proceedings, the customs authority shall effect the seizure. The person subject to the seizure may apply to the customs authority for revocation of the seizure by depositing a bond or equivalent guarantee pursuant to Article 65, Paragraph 4 of the said Act.

(5) Handling procedure of cases suspected of copyright infringement:

Where a complainant identifies goods as being suspected of copyright infringement:

- (i) Where the exporter/importer is unable to provide licensing documentation, the customs authority shall immediately notify the complainant in writing. Within three (3) business days of receiving the said written notice from the customs authority, the complainant shall apply to the customs authority for seizure of the goods by depositing a bond pursuant to Article 90bis of the Copyright Act and provisions of Implementation Regulations for Suspension of Release of Goods Infringing on Copyrights or Plate Rights by Customs Authorities, or apply to the court for preservation proceedings; the customs authority shall effect such seizure. Where the complainant fails to so apply within the stipulated period, and the importer/exporter has not committed any other violations of customs regulations and has executed an undertaking of non-infringement, the customs authority may release the goods after taking representative samples. The customs authority shall also submit the sample to the judicial authority having jurisdiction over the place of customs authority to report a complaint pursuant to Article 241 of the Code of Criminal Procedure (and also notify the Intellectual Property Office of the Ministry of Economic Affairs).

(ii) Where the exporter/importer provides licensing documentation, the customs authority shall promptly notify the complainant. Within three (3) business days of receiving the said written notice from the customs authority, the complainant may apply to the customs authority for seizure of the goods or apply to the court for preservation proceedings by law; the customs authority shall effect such seizure. Where the complainant fails to so apply within the stipulated period, and the importer/exporter has not committed any other violations of customs regulations, the customs authority may release the goods after taking representative samples. The customs authority shall also submit a written report of the case to the competent authority for its reference.

(6) Handling procedure of cases that do not involve trademark or copyright infringement, or cases not identified by complainant within the stipulated time: Where the complainant identifies a case as not being in infringement of trademark right or copyright, or where the complainant fails to attend the office of the customs authority to identify the goods, and there are no other circumstances of violation of customs regulations, the customs authority shall release the goods.

(7) Where imported goods are identified as being in infringement of trademark right or copyright under Article 15 of the Customs Act, relevant provisions of the Customs Act shall apply.

(8) The customs authority shall notify the complainant and importer/exporter of any seizure of goods.

4. Procedures for advice from right owner, licensee of right owner, agent of right owner, owners associations or notifications from other authorities:

(1) Where the customs authority discovers imported or exported goods that meet the appearance description of trademark- or copyright-infringing goods advised by a right owner, licensee of right owner, agent of right owner, owners association or notified by other authorities:

(i) The customs authority may notify the relevant right owner, licensee of right owner, agent of right owner, or owners association to assist in identifying the goods, and shall notify the importer/exporter of the goods to provide licensing information. Where the customs authority is unable to obtain contact information of the said right owner, licensee of right owner, agent of right owner or owners association, it may contact the Intellectual Property Office of the Ministry of Economic Affairs by telephone and/or facsimile for related assistance. Where the customs authority is unable to obtain relevant contact information within one (1) business day of contacting the said Office, and provided that there are no other circumstances of violation of customs regulations, the customs authority should release the goods after taking representative samples.

(ii) The relevant right owner, licensee of right owner, agent of right owner, or owners association, upon receiving notice of the customs authority, shall provide trademark registration documentation, copyright certification or other documentation sufficient to evidence copyright ownership relating to the goods (where the advice is given by an agent for the owner, evidence of the agency shall be submitted) and shall assist with the identification procedures. The relevant procedures shall be in accordance with Article 3, Paragraphs (3) to (7) of these Directions.

(2) Where the judicial authority possesses substantive facts and/or evidence relating to imported/exported goods in infringement of trademark right or copyright, and notifies the customs in writing of the same or produces an order of seizure, then upon discovering the goods in question the customs authority shall transfer the case together with the goods to the said judicial authority. Where there is difficulty in storing the goods, the right owner shall be requested by the judicial authority to store the goods at their original warehouse, container yard, or air cargo terminal.

5. The customs authority shall provide the names of consignor of goods, importer or exporter, consignee of goods, quantity, and other related information of infringing goods (including names of responsible persons, company names and addresses) to the right owner only when the judicial authority has issued an affirmed judgment confirming that the goods are in infringement of trademark right or copyright.