

Implementing Rules of Regulations on Customs Protection of Intellectual Property Rights

Full text

Chapter I General Provisions

Article 1 These Rules are formulated in accordance with the Customs Law of the People' s Republic of China and other laws and administrative regulations, in order to implement effectively the Regulations of the People' s Republic of China on Customs Protection of Intellectual Property Rights (hereinafter referred to as the "Regulations").

Article 2 Where any holder of intellectual property right requests the Customs to take protection measures for his intellectual property rights or goes through procedures of Customs Protective Recordation of Intellectual Property Rights with the General Administration of Customs, he is entitled to lodge the application, directly or entrust an agent established in mainland China on his behalf, on condition that he is located in mainland China,. Where such holder of intellectual property right is located outside mainland China, he shall entrust either his liaison office or an agent, both are established in mainland China, to lodge the application on his behalf. Where the holder of intellectual property right entrusts an agent established in mainland China to present his application in accordance with the preceding paragraph, he shall produce a power of attorney in a prescribed form.

Article 3 When the holder of intellectual property right or his agent (hereinafter collectively referred to as the holder of intellectual property right) discovers that the suspected infringing goods pending to import or export, he may apply to the Customs for detention of such goods in accordance with the provisions in Chapter 3 of these Rules. Where the relevant goods are suspected of infringing an intellectual property right that have been recorded with the General Administration of Customs, the holder of intellectual property right may report to the Customs and apply for detaining such suspected infringing goods by the Customs in accordance with the provisions in Chapter 4 of these Rules.

Article 4 The consignor or consignee of import or export goods or his agent (hereinafter collectively referred to as the consignor or consignee) shall, to a reasonable extent, have knowledge of the intellectual property right status of his import or export goods. If the status of intellectual property right related to his import or export goods is obliged to be declared, the consignor or consignee shall make such declaration and present any relevant evidentiary documents truthfully to the Customs.

Article 5 If any commercial secrets are involved in the relevant documents or evidence presented to the Customs by either holder of intellectual property right, or the consignor or consignee, an explanation of such secrets in writing shall be presented to the Customs by the holder of intellectual property right, or the consignor or consignee. The Customs shall keep the confidentiality of the commercial secrets of relevant parties when operating protection of intellectual property rights. But the information which the

Customs are obliged to disclose in accordance with law shall not be included.

Chapter II Recordation of Intellectual Property Rights

Article 6 When going through the procedures of Customs Protective Recordation of Intellectual Property Rights, the holder of intellectual property right shall present an application in a prescribed form to the General Administration of Customs.

The holder of intellectual property right shall present a separate application form for each of his intellectual property rights for which the recordation is applied. Where applying for recordation of an International Registered Trademark, the holder of intellectual property right shall present a separate application form for recordation of each class of commodities covered.

Article 7 The holder of intellectual property right shall attach the following documents and evidence when he presents the application for recordation to the General Administration of Customs,:

(1)A photocopy of personal identification document, or business license or other documents which identifies the holder of intellectual property right;

(2)A photocopy of the Trademark Registration Certificate issued by the Trademark Office of the State Council's industry and commerce authority, the documents confirming trademark registration issued by the Trademark Office of the State Council's industry and commerce authority shall be presented in addition where the applicant has been permitted to change, renew, transfer the trademark registration or apply for recordation of an International Registered Trademark;

A photocopy of the certificate of voluntary copyright registration issued by the copyright registration authority, or the photographs of the works confirmed by the copyright registration authority. Where the applicant has not carried out the procedures for voluntary copyright registration of his works, a sample of his works or other evidence which can prove his ownership of the copyright shall be presented;

A photocopy of the patent certificate issued by the State Council's patent authority. Where the grant of patent has been announced more than one year, a duplicate of the patent register issued, within six months prior to the application for recordation, by the State Council's patent authority. Where applying for the recordation of an utility model or a design, a photocopy of search report of the utility model or a photocopy of announcement of design issued by the State Council's patent authority shall also be presented;

(3)A photocopy of a contract of licence shall be presented where the holder of intellectual property right has licensed other parties to use a registered trademark, a work or a patent and a contract of license has been reached. Where no written licence has been reached, a document explaining the details of scope, term of the license, etc. shall be presented;

(4)The photographs of goods and their package on which the holder of intellectual property right lawfully exercised his rights;

(5)The evidence of the known import or export of infringing goods; Where any infringement dispute

between the holder of intellectual property right and other party has been settled by a People's Court or by the competent intellectual property right authority, a photocopy of the relevant legal document shall also be presented; and

(6) Any other documents or evidence that the General Administration of Customs considers necessary to present. The documents and evidence presented by the holder of intellectual property right to the General Administration of Customs in accordance with the preceding paragraph shall be complete, truthful and valid. Where the relevant documents and evidence are in a foreign language, they shall be accompanied by a Chinese translation. Where the General Administration of Customs deems necessary, it may require the holder of an intellectual property to present notarization or certification of the relevant documents or evidence.

Article 8 The holder of an intellectual property shall make payment of recordation fee while he applies to the General Administration of Customs for the Customs Protective Recordation of intellectual property right. The holder of intellectual property right shall attach a photocopy of credence of remittance of the recordation fee when he presenting the application for recordation to the General Administration of Customs. The rate of recordation fee shall be prescribed and announced by the General Administration of Customs in conjunction with relevant authorities of State.

Article 9 The Customs Protective Recordation of intellectual property right shall enter into effect on the date of approval by the General Administration of Customs and be valid for a term of 10 years. Where the term of the intellectual property right is less than 10 years from the effective date of the recordation, the recordation term of an intellectual property right shall be in conformity with the term of the intellectual property right. The terms of recordation and renewed recordation approved by the General Administration of Customs prior to the effectiveness of Regulations shall remain to be calculated in accordance with their original terms.

Article 10 The holder of intellectual property right may, within six months prior to the expiration of the recordation term of the Customs protection of intellectual property right, apply for renew of recordation by presenting a written application together with relevant documents to the General Administration of Customs. Where the General Administration of Customs approves the renewal of the recordation, it shall notify the holder of intellectual property right in writing; where it disapproves the renewal, it shall notify the holder of intellectual property right in writing and explain the reason thereof. The term of the renewed recordation shall be 10 years, calculated from the day following the expiration of the previous recordation term. Where the term of the intellectual property right is less than 10 years from the day following the expiration of the previous recordation term, the renewal recordation term of the intellectual property right shall be in conformity with the term of the intellectual property right.

Article 11 The holder of intellectual property right shall, within 30 working days from the date of change occurs, apply to the General Administration of Customs for amending the Customs protective Recordation of intellectual property right and presents relevant documents, where any change occurs to the following information of the intellectual property right recorded:

- (1) The name of the holder of intellectual property right;
- (2) The commodities on which the registered trademark has been used;

- (3) The information of licensed using the registered trademark, work or patent;
- (4) The information of address, contact person, telephone number, etc. of the holder of intellectual property right; and
- (5) Any other particulars specified in Article 7 of these Regulations.

Article 12 In any of the following circumstances, the holder of intellectual property right shall, within 30 working days from the date of the change in the recorded intellectual property right, apply to the General Administration of Customs for cancellation of the Customs Protective Recordation of intellectual property right and present relevant documents:

- (1) The intellectual property right ceases to be protected by laws and administrative regulations prior to the expiration of the recordation term; or
- (2) The recorded intellectual property right is transferred.

Where either of the circumstances specified in the preceding paragraph occurs, the General Administration of Customs may cancel the recordation of the relevant intellectual property right on its own initiative or against the application of any party interested. The holder of intellectual property right may apply to the General Administration of Customs for cancellation of the recordation if he decides to abandon any recordation during the recordation term. The General Administration of Customs shall notify the relevant holder of intellectual property right in writing of cancellation of any recordation. The recordation shall become invalid since the date of cancellation by the General Administration of Customs.

Article 13 Where the General Administration of Customs decide to revoke a Customs protective Recordation of intellectual property right in accordance with Article 9 of Regulations, the holder of intellectual property right shall be notified in writing.

The General Administration of Customs has the authority to refuse the application for recordation lodged, within one year from the date of the revocation of the intellectual property right recordation by the relevant holder of intellectual property right, by the holder of intellectual property right for the relevant intellectual property rights which the recordation thereof has been revoked.

Chapter III Detention pursuant to an Application

Article 14 Where the holder of intellectual property right discovers the suspected infringing goods pending to import or export and request the Customs to detain the goods, he shall lodge an application, in accordance with Article 37 of Regulations, to the port Customs where the goods pending to import or export. In addition, the holder of intellectual property right shall present the documents and evidence specified in items (1) and (2) of the first paragraph of Article 7 of these Rules where the relevant intellectual property right has not been recorded with the General Administration of Customs. The holder of intellectual property right shall provide sufficient evidence proving the obvious existence of the fact of infringement to the Customs as well when he requests the Customs to detain the suspected infringing goods. The evidence provided by the holder of intellectual property right shall be sufficient to prove the following facts:

- (1) The goods requested to be detained by the Customs are pending to import or export; and
- (2) The trademark, works or patent have been used on the relevant goods without the consent of the

holder of intellectual property rights.

Article 15 Where applying for detaining the suspected infringing goods by the Customs, the holder of intellectual property right shall deposit, within the period specified by the Customs, a security equivalent to the value of the goods with the Customs.

Article 16 The holder of intellectual property right may, provided that he has lodged the application in accordance with Article 14 and deposited the security in accordance with Article 15 of these Rules, request to inspect the suspected infringing goods before the Customs perform the detention. The holder of intellectual property right may, upon approval of the Customs, revise or withdraw his application on condition that the suspected infringing goods have not been detained by the Customs. Where the application lodged by the holder of intellectual property right fails to be in conformity with Article 14, or the security fails to be deposited in conformity with Article 15 of these Rules, the Customs shall refuse the application and notify the holder of intellectual property right in writing of such refusal.

Article 17 The Customs, where detaining the suspected infringing goods, shall notify the holder of intellectual property right in writing of such details as description, quantity and value of the goods, name of the consignor or consignee, date of import or export declaration and detention, etc. The holder of intellectual property right may apply, in accordance with Article 23 of Regulations, to the People's Court for a ruling of ceasing infringing act or a ruling of property preservation. The Customs shall provide assistance where they receive, within 20 working days from the date on which the Customs detain the suspected infringing goods, a written petition from the People's Court for assisting to enforce the ruling; Otherwise, the Customs shall release the goods.

Article 18 When the Customs detain the suspected infringing goods, they shall serve a written notification of detention of the suspected infringing goods and a Customs Detention Receipt on the consignor or consignee. Upon the approval of the Customs, the consignor or consignee may inspect the relevant goods. If the consignee or consignor believes that his import or export goods do not infringe the relevant intellectual property right, he shall, within 20 working days from the date on which the goods are detained by the Customs, present to the Customs a written explanation together with the necessary evidence. If the consignor or consignee requests the Customs to release the goods suspected of infringing a patent, he shall present a written application for releasing the goods and deposit a security equivalent to the value of the goods to the Customs in addition.

Article 19 The Customs shall release the goods and notify the holder of intellectual property right in writing provided that the consignor or consignee requests the Customs to release the goods suspected of infringing the patent and such request is in conformity with the second paragraph of Article 18 of these Rules. The holder of intellectual property right shall present a photocopy of notice of accepting case from the People's Court to the Customs within 30 working days from the date when the written notification, specified in the preceding paragraph, from the Customs has been served where he has brought a lawsuit before the People's Court in respect of the dispute of patent infringement.

Chapter IV Ex Officio Action

Article 20 Where the Customs discover, when performing supervision and control over import or export

goods, any import or export goods suspected of infringing a recorded intellectual property right recorded with the General Administration of Customs, they shall immediately notify the holder of intellectual property right.

Article 21 The holder of intellectual property right shall, within three working days from the date when the written notification, specified in Article 20 of these Rules, from the Customs has been served, response in accordance with the following provisions:

(1) To lodge a written application to the Customs for detaining the suspected infringing goods and deposit a security in accordance with Article 22 of these Rules where believing that the relevant goods have infringed his intellectual property right recorded with the General Administration of Customs and requesting the Customs to perform detention, or

(2) To explain the reasons to the Customs in writing where believing that the relevant goods have not infringed his intellectual property right recorded with the General Administration of Customs or not requesting the Customs to perform detention.

Upon the approval of the Customs, the holder of intellectual property right may inspect the relevant goods.

Article 22 Where requesting the Customs to detain the suspected infringing goods in accordance with item (1) of the first paragraph of Article 21 of these Rules, the holder of intellectual property right shall deposit a security with the Customs in accordance with the following provisions:

(1) Where the value of goods is below RMB 20,000 Yuan, a security equivalent to the value of the goods is to be deposited;

(2) Where the value of goods is above RMB 20,000 Yuan but below RMB 200,000 Yuan, a security equivalent to 50% of the value of the goods shall be deposited. But the minimum amount of the security shall not be less than RMB 20,000 Yuan; or

(3) Where the value of goods is above RMB 200,000 Yuan, a security of RMB¥100,000 shall be deposited.

Upon the approval of the Customs, the holder of intellectual property right may provide a general security with the Customs. The minimum amount of such general security shall be RMB 200,000 Yuan.

Article 23 Where the holder of intellectual property right has applied for detention of the suspected infringing goods in conformity with item (1) of the first paragraph of Article 21 of these Rules and deposited a security in accordance with Article 22, the Customs shall detain the suspected infringing goods and notify the holder of intellectual property right in writing; The Customs shall release the goods where neither application has been lodged nor security has been deposited.

Article 24 Where detaining the suspected infringing goods, the Customs shall serve on the consignor or consignee a written notification of detaining the suspected infringing goods and a Customs Detention Receipt. The consignor or consignee may inspect the relevant goods upon the approval of the Customs. The consignor or consignee shall present, within the period of Customs' investigation into the suspected infringing goods, a written explanation together with necessary evidence to the Customs where he believes that his import or export goods do not infringe the relevant intellectual property right. If he requests the Customs to release the goods suspected infringing a patent, he shall, within 50 working

days from the date on which the goods are detained by the Customs, present to the Customs a written application for releasing the goods and provide a security equivalent to the value of the goods. Where the consignor or consignee lodges a request, which is in conformity with the preceding paragraph, to the Customs for releasing the goods suspected of infringing a patent, the Customs shall handle the matter in accordance with Article 19 of these Rules. While the goods are determined as of infringing the patent by the Customs investigation, the Customs shall handle the matter in accordance with Article 27 of these Rules.

Article 25 The Customs shall, in accordance with law, perform investigation into the suspected infringing goods as well as other relevant circumstances after they have detained the suspected infringing goods. The consignor or consignee and the holder of intellectual property right shall cooperate in the Customs investigation and shall truthfully provide relevant information and evidence.

When investigating into the suspected infringing goods, the Customs may request the relevant competent authorities of intellectual property right to provide advice.

Article 26 The Customs shall, within 30 working days from the date on which the suspected infringing goods are detained, inform the holder of intellectual property right in writing of any of the following conclusions of investigation:

- (1) The goods are determined as of infringement of relevant intellectual property right;
- (2) Evidence provided by the consignor or consignee is regarded as sufficient to prove that the goods do not infringe the relevant intellectual property right; or
- (3) The Customs cannot determine whether the goods infringe the relevant intellectual property right or not.

Article 27 Where the Customs cannot determine whether the goods infringe the intellectual property right or not, the holder of intellectual property right may apply to the People's Court for a ruling of ceasing infringing act or a ruling of property preservation in accordance with Article 23 of Regulations.

The Customs shall provide assistance where the Customs receives a petition for assistance in enforcing either the ruling of ceasing infringing act or the ruling for property preservation from the People's Court within 50 working days from the date on which the suspected infringing goods are detained. Otherwise, the goods shall be released.

Article 28 Where the Customs have decided to confiscate infringing goods, the holder of intellectual property right shall be informed in writing of the following known details:

- (1) Description and quantity of infringing goods;
- (2) Name of the consignor or consignee;
- (3) Date of import or export declaration of the infringing goods, date of detention by the Customs and date of effectiveness of the Customs' punishment decision;
- (4) Place of departure and destination of the infringing goods; and
- (5) Other information relating to the infringing goods that the Customs can provide.

Where the People's Court or another competent intellectual property right authority, when handling an infringement dispute between the relevant parties, requires any assistance from the Customs in obtaining evidence relating to the import or export goods, the Customs shall provide such assistance.

Article 29 The Customs shall detain the inward or outward articles carried or mailed by individuals which are both in excess of the reasonable quantity for personal use and suspected of infringing the intellectual property right specified in Article 2 of Regulations. The articles shall be confiscated if determined as of infringement by the Customs after investigation. The holder of intellectual property right shall provide assistance to the Customs when they are operating investigation into the infringing articles.

Chapter V Disposal of Goods and Relevant Expenses

Article 30 The goods confiscated by the Customs shall be disposed of in accordance with the following provisions:

(1) Where the relevant goods can be directly used for public welfare undertakings or if the holder of intellectual property right intends to purchase the goods, they shall be handed over to the relevant public welfare organization for use in public welfare undertakings or transferred to the holder of intellectual property right with compensation;

(2) Where the relevant goods cannot be disposed of in accordance with item (1) but the infringing features can be removed, the goods shall be auctioned after removal of the infringing features; the money obtained from the auction of the goods shall be turned over to the national treasury; or

(3) Where the relevant goods cannot be disposed of in accordance with item (1) or (2), they shall be destroyed.

The holder of intellectual property right shall provide necessary assistance when the Customs destroy infringing goods. When the relevant public welfare organization uses the infringing goods confiscated by the Customs in public welfare undertakings or the holder of intellectual property right assists the Customs in destroying the infringing goods, the Customs shall exercise the necessary supervision.

Article 31 In either cases that he Customs assist the People's Court in enforcing a ruling of ceasing infringing act or a property preservation order, or release detained goods, the holder of intellectual property right shall pay the expenses for warehousing, maintenance, disposal, etc., of the goods during the period they are detained by the Customs.

If the Customs confiscates the infringing goods, the holder of intellectual property right shall pay the expenses for warehousing, maintenance, disposal, etc. of the goods for the actual period of time they are stored after their detention by the Customs. However, if the Customs fails to complete the disposal of the goods within three months from the date on which the decision to confiscate the infringing goods is served on the consignor or consignee, and such failure is not due to the consignor or consignee applying for administrative reconsideration, filing administrative proceedings or other special reason relating to the disposal of the goods, the holder of intellectual property right shall not be required to pay the relevant expenses incurred after the three months.

If the Customs auctions the infringing goods in accordance with item (2) of the second paragraph of Article 30 of these Rules, the auction expenses shall be handled in accordance with relevant regulations.

Article 32 Where the holder of intellectual property right fails to pay the relevant expenses in accordance with Article 31 of these Rules, the Customs shall be entitled to deduct the relevant expenses from the security provided by the holder of intellectual property right or demand that the guarantor perform its guarantee obligations.

Where the Customs confiscates infringing goods, the Customs shall refund the security to the holder of intellectual property right or release the guarantee liabilities after disposal of the goods has been completed and the relevant expenses have been settled.

Where the Customs assists in the enforcement of a ruling of an order to cease the infringing act or a property preservation from the People's Court, or releases detained goods, and does not receive a notice from the People's Court for assistance in enforcing the security provided by the holder of intellectual property right within 20 working days from the date on which the Customs assists in the enforcement of the relevant ruling of the People's Court or releases the detained goods, it shall refund the security to the holder of intellectual property right ; if it receives a petition for assistance in enforcement, it shall provide such assistance.

Article 33 Where the holder of intellectual property right , in accordance with the second paragraph of Article 19 of these Rules, presents to the Customs a photocopy of the notice of accepting the case from the People's Court's after the Customs, in accordance with the first paragraph of Article 19, release the detained goods suspected infringing patent, the Customs shall, in accordance with the notice of the People's Court for assistance in enforcing the relevant judgment or ruling, dispose of the security provided by the consignor or consignee; if the holder of intellectual property right fails to present a photocopy of the notice of accepting the case from the People's Court, the Customs shall refund the security to the consignor or consignee.

Chapter VI Supplementary Provisions

Article 34 In these Rules, the term "security" means cash or a guarantee provided by a bank or other financial institution.

Article 35 The value of goods in these Rules shall be examined and determined by the Customs on the basis of the transaction value of the goods. If the transaction value cannot be determined, the value of goods shall be estimated by the Customs in accordance with law.

Article 36 Where the holder of intellectual property right or a consignor or consignee is to present a photocopy of a relevant document to the Customs pursuant hereto, he shall verify such photocopy against the original. Once the photocopy has been verified as being in order, the words "True Copy" shall be noted on the photocopy, which shall then be signed and/or sealed in confirmation.

Article 37 These Rules shall go into effect as of July 1, 2004. The Rules of the Customs of the People's Republic of China Concerning Implementing Protection of Intellectual Property Rights (ref. Decree No. 54 of the General Administration of Customs) shall be repealed simultaneously.

ANNEXES:

1. Application form of Customs Protective Recordation of Trademark Rights (Template)
2. Application form of Customs Protective Recordation of Patent Rights (Template)
3. Application form of Customs Protective Recordation of Copyright (Template)
4. Power of Attorney for Customs Protective Recordation of Intellectual Property Rights (Template)