

**Procedures for enforcement
of intellectual property rights**

LAWS

Law No. 8039

THE LEGISLATIVE ASSEMBLY OF THE
REPUBLIC
OF COSTA RICA

HEREBY DECREES:

**LAW ON PROCEDURES FOR ENFORCEMENT
OF
INTELLECTUAL PROPERTY RIGHTS**

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CHAPTER I

General provisions

Article 1.– Scope of application. Infringement of any intellectual property right laid down in domestic legislation or in existing international agreements shall give rise to the exercise of the administrative actions brought before the Industrial Property Registry or the National Registry of Copyright and Related Rights and the legal actions provided for in this Law, without prejudice to other provisions of the legal system. Likewise, this Law shall regulate the competence of the Administrative Registration Tribunal with regard to appeals of all registrations in the National Registry.

The holder of the intellectual property right must always give his explicit written consent.

Article 2.– Interpretation. In the judicial and administrative examination of the damage to the rights enshrined and protected by this Law, the judge, the Industrial Property Registry or the Director of the National Registry of Copyright and Related Rights may rely on the rules for interpreting the circumstances with regard to the means, time and place of the infringing actions, so that the formalities relating to the specific means for regulating such rights do not prevent the practical application of the legal oversight provisions in concrete cases. In any administrative proceedings brought before the Industrial Property Registry or the National Registry of Copyright and Related Rights or in judicial proceedings, when applying the final sanction the competent authority shall take into account the proportionality between the unlawful

conduct and the damage caused to the protected legal property.

Article 2bis.— Definitions

For the purposes of this Law:

(a) “effective technological means” means any technology, mechanism or component which, in the normal course of its operation, controls access to a work, performance, phonogram or other protected material, or protects any copyright or related rights;

(b) rights management information:

(i) information which identifies the work, performance or phonogram, the author of the work, the performer or the producer of the phonogram, or the holder of any rights in the work, performance or phonogram;

(ii) information on the terms and conditions for use of the work, performance or phonogram.

(iii) any number or code which represents said information;

where any of these elements is attached to a copy of the work, performance or phonogram or features in relation to the communication or making available to the public of the work, performance or phonogram.

(c) Base salary: the concept of base salary, used in this Law, shall correspond to the definition given in Article 2 of Law No. 7337 of May 5, 1993 and the amendments thereto.

(as supplemented by Article 2(a) of Law No. 8656 of July 18, 2008)

CHAPTER II

Precautionary measures

SECTION I

General provisions

Article 3.– Adoption of precautionary measures

Before and during the proceedings and in the execution phase of any action for infringement of an intellectual property right, the competent judicial authority, the Industrial Property Registry or the National Registry of Copyright and Related Rights, as appropriate, shall take suitable and adequate precautionary measures to avoid serious harm which is difficult to compensate being done to the

right holder, and also to guarantee temporarily the effectiveness of the final act or judgment.

A precautionary measure shall be applied only if the party requesting it is proven to be the right holder or his representative and submits reasonably available proof, with a view to establishing, to the court's satisfaction, a sufficient degree of certainty that infringement of the applicant's right has occurred or is imminent. Before ordering the measure, the judicial authority, the Industrial Property Registry or the National Registry of Copyright and Related Rights shall require the party requesting the measure to grant an adequate guarantee or sufficient equivalent deposit, to protect the defendant and prevent abuse and to avoid unduly deterring the authorities from having recourse to such procedures.

In proceedings for the application of precautionary measures to enforce a patent, there shall be a refutable presumption that the patent is valid.

(as amended by Article 1(a) of Law No. 8656 of July 18, 2008)

Article 4.– Proportionality of measures. Any decision in response to an application for precautionary measures shall consider the interests of third parties, the proportionality of the effects of the measure, and the harm and prejudice that the measure may cause.

Article 5.– Measures. The following precautionary measures may be ordered, *inter alia*:

- (a) the immediate cessation of the acts constituting the infringement;
- (b) the seizure of the counterfeit or illegal goods;
- (c) the suspension of customs clearance for the goods, materials or means referred to in paragraph (b) above;
- (d) a pledge by the alleged offender of a security or other adequate guarantee.

Article 6.– Procedure. Within 48 hours from the submission of a request for precautionary measures, the judicial authority, the Industrial Property Registry or the National Registry of Copyright and Related Rights shall invite the parties to a hearing in order for them to state their case with regard to the request within three working days. After this time, the Industrial Property Registry, the National Registry of Copyright and Related Rights or the competent court shall, in those three days and whether or not a reply is received, make the appropriate decision regarding precautionary measures. The decision reached by the Industrial Property Registry, the National Registry of Copyright and Related Rights or the judicial authority shall be implemented without delay. The effects of the application of the measures shall not be stayed by the lodging of an appeal.

In cases where a hearing of the parties could invalidate the measures, the judicial authority, the

National Registry of Copyright and Related Rights or the Industrial Property Registry shall take the appropriate decision regarding the request for precautionary measures within 48 hours of its submission.

Article 7.– Precautionary measures not involving the alleged offender. Where a precautionary measure is executed without the other party's first having been heard, the Industrial Property Registry, the National Registry of Copyright and Related Rights or the competent judicial authority shall notify the affected party within three working days of implementation. The affected party may appeal the measure applied.

Article 8.– Deadlines for the submission of a complaint or request. If the precautionary measure is requested before the institution of court proceedings and is granted, the party instigating the proceedings shall bring the court action within one month from notification that the measure has been granted. If the proceedings are not brought in time or it is determined that no intellectual property right has been infringed, the precautionary measure shall be deemed to be revoked and the requesting party liable for the harm and prejudice caused; these shall be settled in accordance with the procedure for enforcement of judgments.

Article 9.– Harm and prejudice. If the court action is not brought in time or if the precautionary measure is revoked or loses its force for any other reason, a party claiming entitlement to compensation for harm and prejudice caused in the enforcement of the measure shall apply for that compensation within one month from the party that is familiar with the substance of the case. If this request is not made within the foregoing period or the party is not entitled to the intellectual property right, that party shall be ordered to return the deposit that was pledged against harm and prejudice.

If the circumstances referred to in the preceding paragraph apply in a case where the precautionary measure was put in place by an administrative decision, the affected party shall have to go to court to apply for compensation for harm and prejudice caused through the application of the measure.

SECTION II

Border measures

Article 10.– Application of border measures. Where a precautionary measure has to be applied at the point of customs clearance of counterfeit or illegal goods, the administrative decision by the Industrial Property Registry, the National Registry of Copyright and Related Rights or the court decision ordering the measure shall be communicated to the customs authorities and the requesting party without delay.

Article 11.– Requests for border measures. If the holder of an intellectual property right has well-founded information regarding the arrival or dispatch of goods that infringe his right, he may apply to the Industrial Property Registry, the National Registry of Copyright and Related Rights or the judicial authorities to order the customs authorities to suspend clearance.

The following, at least, shall be required of any holder of a protected intellectual property right or his representative, requesting the suspension of customs clearance for goods:

- (a) to prove himself an intellectual property right holder or his representative;
- (b) to provide a reasonable guarantee or equivalent deposit before any suspension is ordered, in order to protect the defendant and the competent authorities and avoid abuse. This guarantee or equivalent deposit shall not unduly deter recourse to such procedures. The said guarantee may take the form of an instrument issued by a financial services provider to protect the importer or owner of the imported merchandise from any loss or harm flowing from any suspension of the dispatch of the merchandise, in the event that the competent authorities establish that the article does not constitute infringing goods;
- (c) to provide sufficient information on the goods that is reasonably known to the rights holder, so that the goods can be easily recognized by the competent authorities. The requirement of providing sufficient information shall not unduly deter recourse to such procedures;
- (d) to provide sufficient proof to establish, to the satisfaction of the competent authorities, that there is a presumption of infringement of his intellectual property right.

Once customs clearance for the merchandise has been suspended, the Industrial Property Registry, the National Registry of Copyright and Related Rights or the judicial authorities shall immediately notify the importer or exporter of the goods in question and shall immediately notify the applicant that the measure has been taken.

(as amended by Article 1(b) of Law No. 8656 of July 18, 2008)

Article 12.– Cases in which border measures shall not apply. It shall not be compulsory to apply the border measures set out in this Chapter in the following circumstances:

- (a) where merchandise is imported and brought onto the national market by the right holder or with his consent, or where they are imported by parties authorized by the State or in accordance with national laws, as long as they were brought into or taken out of the country legitimately by the right holder or his representative;
- (b) quantities of merchandise that form part of a passenger's personal belongings.

Article 13.– Duration of suspension. If more than 10 working days have passed, beginning from the moment the applicant for the measure is notified of the suspension, without his having submitted a request or received a communication from the Industrial Property Registry, the National Registry of Copyright and Related Rights or the judicial authority that precautionary measures have been taken which prolong the suspension of clearance, the Industrial Property Registry, the National Registry of Copyright and Related Rights or the competent judge shall notify the customs authorities so that the measure may be lifted and shall order the clearance of the merchandise, once the other requirements have been fulfilled.

Article 14.– Special provisions for industrial designs, patents, layout designs or undisclosed information. In cases where the customs authorities, pursuant to a precautionary measure, have suspended clearance for the free circulation of goods which include industrial designs, patents, layout designs or undisclosed information, and it has been established that:

- (a) the precautionary measure has unjustifiably not been executed within three working days; and
- (b) provided that a certified sample is supplied by the customs authorities and all other import requirements have been met, the owner, importer or consignee of the merchandise shall be entitled to obtain customs clearance, upon payment of a guarantee to the Industrial Property Registry, the National Registry of Copyright and Related Rights or the judicial authority that ordered the precautionary measure, with a view to protecting the right holder in any case involving infringement. Payment of the guarantee shall be without prejudice to the remedies available to the right holder, and the guarantee shall be returned if the complaint or request is not submitted during the period established in Article 13 of this Law.

Article 15.– Inspection. Once the customs authorities have suspended customs clearance for the merchandise, the Industrial Property Registry, the National Registry of Copyright and Related Rights or the judicial authority shall allow the right holder or his representative to inspect the merchandise, solely in order to confirm his claims. On allowing the inspection and if it is appropriate, the customs authority shall have access to the resources needed to protect any right of undisclosed information (commercial or industrial secrets).

If the Industrial Property Registry, the National Registry of Copyright and Related Rights or the judicial authority confirms an infringement, and if the right holder or his representative so requests, the customs authorities shall report the name and address of the consignor, importer or exporter and consignee of the goods, along with the quantity and description of the suspended goods.

Article 16.– Ex officio action. Where the customs authorities have sufficient grounds to consider that an intellectual property right has been infringed, they shall act *ex officio* and suspend the clearance of the goods imported, exported or in transit which are suspected of infringing an intellectual property right, without requiring a formal request by an individual or the right holder. Within ten (10) working days following the confiscation of the goods, the customs authorities shall inform the Public Prosecutor's Office of the commission of any of the offenses covered by this Law. Otherwise, the goods shall be returned and the customs authorities shall be liable for the harm and prejudice caused, in accordance with the provisions of the General Law of Public Administration. The customs authorities shall, as far as possible, inform the owner of the rights which may be subject to infringement.

(also amended by Article 1(c) of Law No. 8656 of July 18, 2008)

Article 17.– Destruction and confiscation of goods

Where it has been established that the goods are pirated or counterfeit, the decision of the judicial authority shall order the customs authorities to destroy the goods, unless the right holder agrees that they be disposed of in some other fashion.

The customs authorities shall not allow the exportation of the counterfeit, pirated or illegal goods in an unaltered state or subject them to a different customs procedure, barring exceptional circumstances, until the competent judicial authority has ruled on where they are to be sent and whether they are to be destroyed.

In the case of counterfeit trademark goods, if the holder of the infringed intellectual property right agrees, the judicial authority may order in a final judgment that the said goods be donated to social welfare programs for use outside commercial channels, where removal of the trademark affixed eliminates the infringing characteristics of the goods and they are no longer identifiable with the trademark removed. Mere removal of the trademark unlawfully affixed shall under no circumstances be sufficient to allow the goods to enter commercial channels.

In the event that a fee is charged for looking after or storing the goods related to border measures for the enforcement of an intellectual property right, said fee shall not be set so high as unduly to deter recourse to such measures.

In the case of consumer foodstuffs that meet health requirements, they shall be forwarded to the Joint Social Assistance Institute (IMAS) so that, upon the removal of trademarks, packaging and other distinctive signs under current legislation, it may allocate them.

(as amended by Article 1(c) of Law No. 8656 of July 18, 2008)

Article 18.– Wrongful confiscation

Where goods have been wrongfully confiscated, the judicial authorities shall, in principle, require the claimant to pay for the harm and prejudice caused to the importer, consignor and owner of the goods; the payment of this sum shall constitute enforcement of the judgment.

CHAPTER III

Establishment of the Administrative Registration Tribunal and Administrative Procedures

SECTION I

Administrative Registration Tribunal

Article 19.– Establishment of the Administrative Registration Tribunal

The Administrative Registration Tribunal is hereby established as a fully autonomous entity under the Ministry of Justice and Amnesty, with operational legal personality to exercise the functions and competences assigned to it by this Law. It shall be based in San José and have jurisdiction throughout the national territory. Its duties shall be exclusive, and it shall enjoy functional and administrative autonomy. Its decisions shall exhaust the administrative appeals procedure.

The Administrative Registration Tribunal shall submit its budget to the Administrative Board of the National Registry, which shall approve it and forward it to the Comptroller General of the Republic. Said budget shall be covered out of the revenues received by the Administrative Board of the National Registry, in an amount that may not be less than six per cent (6%) of the ordinary revenue of the National Registry calculated for the financial year or the surplus of the National Registry. This budget shall not be subject to any economic or budgetary guidelines which limit its execution and functioning in any way. Staff shall be paid out of the funds of the Administrative Board of the National Registry, for the period stipulated or indefinitely.

If necessary, State institutions may second officials to the Administrative Registration Tribunal and donate assets or moveable or immoveable property to improve its functioning. Likewise, the Tribunal shall be authorized to receive donations from public State bodies or national or international private companies.

Article 20.– Composition

The Tribunal shall be composed of five members, two of which shall be appointed by the Minister of Justice and Amnesty. The Administrative Board of the National Registry shall send three slates to the Executive, so that it may appoint the remaining three members. All appointments shall be subject

to a public competition based on the candidates' experience and shall be ratified by the Legislative Assembly. The Tribunal shall have five alternate members, appointed in the same way as the full members.

Members of the Tribunal shall be appointed for a term of four years and shall be eligible for re-election following a public competition based on the candidates' experience on the same conditions as those indicated in the first paragraph of this Article. The substantive formalities and provisions fixed for the public competition and the legal system shall also be applied for their removal. Remuneration of the members of the Tribunal shall be equivalent to the pay of the members of the higher courts of the Judiciary. The remaining staff shall be paid appropriately based on salaries drawn by judicial officials who perform identical or similar duties. Alternate members shall only be paid for their services when they actually serve as alternates, for any reason whatsoever.

Article 21.– Requirements for members

The members of the Tribunal shall have extensive experience with registrations or similar fields, have recognized moral solvency and be persons who, owing to their experience, professional qualifications and proven competence in the field, guarantee that they can discharge their duties impartially and successfully.

Every year, the Tribunal shall elect from among its ranks a President, a Vice-President and a Secretary. The Rules of Procedure shall regulate the elements required for the proper and effective performance of its duties. The President shall be the Tribunal's legal representative.

Article 22.– Legal principles

The Tribunal shall work on the basis of the principles of orality, officialization, speediness and direct apprehension of the evidence. Likewise, it shall adjust its operation to the procedure and operating rules established in this Law and the Regulations thereunder, as well as the provisions of Book II of Law No. 6227 of May 2, 1978, the General Law of Public Administration, Chapter "on ordinary procedure", of the Law Regulating the Administrative Dispute Courts, and the Organic Law on the Judiciary, respectively, insofar as they are applicable.

When hearing cases brought before it, the Tribunal shall set common and non-extendable periods for the parties to present arguments and rebuttal evidence, in accordance with the principle of searching for the true facts, the required speed of the proceedings, and the principle of orality. To impair the allegations and charges made by the respective Registries of the National Registry, namely, the Immoveable Property Public Registry, the Registry of Legal Entities, the Registry of Moveable Goods, the Industrial Property Registry, the National Registry of Copyright and Related Rights, the National Land Registry and any other Registry which may form part of the National Registry, the parties concerned may rely on any

means of proof accepted by applicable national positive law. Reports and certifications issued by certified public accountants or other professionals who enjoy the trust of the public shall be deemed acceptable evidence. In this case, the burden of proof for refuting such documents shall be on the Registry that issued the contested classification or decision.

Article 23.– Provision of advice to the Tribunal

The Tribunal shall be obliged to procure the advice it deems suitable and necessary where the technical level so warrants, with a view to resolving each issue raised, given that its decisions must always be substantiated. Such advice may not come from persons related to or with an interest in the matter being decided.

Article 24.– Rapidity of the proceedings

The Tribunal shall facilitate proceedings and the handling of cases within its jurisdiction, with the rapidity required by a given situation.

Its decision shall be delivered within a maximum of 30 calendar days, beginning from the date on which the case is brought before the Tribunal. In special cases, this period may be extended by up to 30 additional days. The Tribunal shall be obliged to give a prompt and full reply.

Article 25.– Competence of the Tribunal

The Administrative Registration Tribunal shall hear:

- (a) appeals against the acts and final decisions delivered by any of the Registries forming part of the National Registry;
- (b) appeals against claims of the Registries forming part of the National Registry.

Decisions of the Tribunal shall not be subject to appeal and shall exhaust administrative remedies. Likewise, the Tribunal may perform the acts and contracts it is authorized to make as part of its administrative functioning, such as receive donated moveable and immoveable property, accept the secondment of staff and hire the necessary advisors and technical staff for advising or training staff, training and research carried out with national or foreign public or private institutions.

In addition, it may enter into all kinds of cooperation agreements with public or private institutions. The Administrative Registration Tribunal shall establish its own pay scale for its staff and shall be authorized to recruit the technical and professional staff who meet public service requirements.

To join this salary system, officials shall provide the proof fixed by the Tribunal; likewise, they shall meet the requirements established in the usual rules for public competitions based on experience.

The pay scale and categories of posts shall be determined by executive degree in accordance with the fourth paragraph of Article 20 of this Law, together with the other requirements for the application of this rule.

Article 26.– Deadlines

The respective appeal shall be lodged within five working days, beginning from notice of the decision, and shall be filed with the Registry that issued the decision. If it is filed in time, it shall be admitted and forwarded to the Tribunal, together with the case file and the background documents. The deadline for filing an appeal for reversal shall be three working days, beginning from notice of the decision.

SECTION II

**Administrative procedures in respect of
trademarks
and distinctive signs and unfair competition**

Article 27.– Rules for administrative procedures

The administrative procedures for trademarks and distinctive signs shall be those contained in Law No. 7978 of January 6, 2000 on Trademarks and Distinctive Signs.

Article 28.– Administrative procedures for cases of unfair competition in respect of trademarks and distinctive signs

In addition to the acts listed in Article 17 of Law No. 7472 of December 20, 1994 on the Promotion of Competition and Effective Consumer Protection and the amendments thereto, any act performed in the course of commercial activities or for that purpose, that is contrary to honest uses or practices shall be considered unfair. Similarly, the following shall, *inter alia*, be deemed to constitute acts of unfair competition:

- (a) any act aimed at misleading with regard to the origin, nature, manufacturing method, suitability for use or consumption, quantity or other characteristics of the goods or services, designed to take advantage of a right holder's rights protected by this Law;
- (b) any act aimed at reproducing, without the owner's authorization, trademarks, distinctive signs or other elements protected for the benefit of their legitimate owner, in order to take advantage, on a commercial scale, of the results of another's efforts and repute;
- (c) any use of a sign whose registration is prohibited by virtue of subparagraphs (k) and (q) of Article 7 of Law No. 7978 of January 6, 2000 on Trademarks and Distinctive Signs;
- (d) the use, in trade, of a sign whose registration is prohibited by virtue of subparagraphs (c), (d), (e), (g) and (h) of Article 8 of Law No. 7978 of January 6, 2000 on Trademarks and Distinctive Signs.

In cases involving the presumption of unfair competition in respect of trademarks or distinctive signs, with an impact on the consumer owing to the unlawful use of trademarks or distinctive signs, the National Consumer Protection Commission shall order the adoption of any of the precautionary measures referred to in this Law, without prejudice to those listed in Article 58 of Law No. 7472 of December 20, 1994 on the Promotion of Competition and Effective Defense of Consumers.

SECTION III

**Administrative procedures for patents,
industrial designs and utility models**

Article 29.– Rules for administrative procedures

The administrative procedures for patents, industrial designs and utility models shall be the ones contained in Law No. 6867 of April 25, 1983 on Patents, Industrial Designs and Utility Models.

Article 30.– Appeals against decisions of the Industrial Property Registry

Appeals for the reversals of decisions by the Industrial Property Registry shall be filed with the body that has issued the respective decision, while appeals against judgments shall be filed with the Administrative Registration Tribunal.

SECTION IV

**Administrative procedures
for copyright and related rights**

Article 31.– Rules for administrative procedures

The administrative procedures for copyright and related rights shall be the ones contained in Law No. 6683 of October 14, 1982 on Copyright and Related Rights.

Article 32.– Appeals against decisions of the National Registry of Copyright and Related Rights

Appeals for the reversal of decisions by the National Registry of Copyright and Related Rights shall be filed with the body that has issued the respective decision, while appeals against judgments shall be filed with the Administrative Registration Tribunal.

SECTION V

**Administrative procedures
for undisclosed information**

Article 33.– Rules for administrative procedures

The administrative procedures for undisclosed information shall be the ones contained in Law No. 7975 of January 4, 2000 on Undisclosed Information.

Article 34.– Appeals against decisions of the Industrial Property Registry

Appeals for the reversal of decisions by the Industrial Property Registry shall be filed with the body that has issued the respective decision, while appeals against judgments shall be filed with the Administrative Registration Tribunal.

SECTION VI

**Administrative procedures
for integrated circuits****Article 35.– Rules for administrative procedures**

The administrative procedures for integrated circuits shall be the ones contained in Law No. 7961 of December 17, 1999 on the Protection of Layout Designs of Integrated Circuits.

Article 36.– Appeals against decisions of the Industrial Property Registry

Appeals for the reversal of decisions by the Industrial Property Registry shall be filed with the body that has issued the respective decision, while appeals against judgments shall be filed with the Administrative Registration Tribunal.

CHAPTER IV

Proceedings

SECTION I

Civil proceedings**Article 37.– Precautionary measures in civil proceedings**

Without prejudice to the provisions of Title IV, Book I of the Code of Civil Procedure, in a case concerning the protection of the rights of intellectual property owners, the judge may order the precautionary measures referred to in this Law.

Article 38.– Civil proceedings

The claims of intellectual property holders, including federations and associations, as well as exclusive licensees and other duly authorized licensees, as the case may be, who have the legal capacity to enforce such rights, shall be processed and decided by means of the abridged proceedings stipulated in Title II of Book II of the Code of Civil Procedure.

The judicial authorities may order a party to desist from an infringement, *inter alia* to prevent the entry into commercial channels in their jurisdiction of imported goods that involve the infringement of an intellectual property right, immediately after customs clearance of such goods, or to prevent their export. Unfair competition cases shall be fast-tracked in accordance with Article 17 of Law No. 7472 of December 20, 1994 on the Promotion of Competition and Effective Consumer Protection.

(as amended by Article 1(d) of Law No. 8656 of July 18, 2008)

Article 38bis.– Civil remedies

Civil remedies, including but not limited to provisional measures, damage suffered as covered by Articles 40 and 40bis, as well as the payment of fees and the cost of proceedings, and the destruction of tools and goods relating to the infringing activity, shall be available to any party aggrieved by the acts which are described in this Law or which infringe intellectual property rights in any way, including any person who has an interest in a coded program signal or its contents, in cases involving the infringements described in Articles 61 and 61bis.

For the purposes of Articles 62, 62bis and 63 of this Law, compensatory damages shall not be awarded against libraries, archives and educational institutions or non-commercial, non-profit public broadcasting bodies, which are able to prove that they did not know and had no reason to believe that such acts constituted a prohibited activity.

(as amended by Article 2(b) of Law No. 8656 of July 18, 2008)

Article 38ter.– Compensation for the other party

The judicial authority may order a party at whose request measures were taken and who has abused enforcement procedures to provide to a party wrongfully enjoined or restrained adequate compensation for the injury suffered because of such abuse. Similarly, the judicial authorities may order the applicant to pay the defendant's expenses, which may include appropriate attorney's fees.

(as amended by Article 2(b) of Law No. 8656 of July 18, 2008)

Article 39.– Evidence under the control of the opposing party

In abridged proceedings, in unfair competition cases or in summary proceedings where one party has specified evidence relevant to substantiation of its claims which is under the control of the opposing party, the judge may require the opposing party to produce this evidence. If this is done, the evidence shall be produced on condition that the protection of undisclosed information is guaranteed.

With regard to process patents, unless proven otherwise, every identical good produced without the patent holder's consent shall have been obtained by the patented process, if the good obtained by the patented process is new.

(as amended by Article 1(d) of Law No. 8656 of July 18, 2008)

Article 40.– Criteria for determining levels of harm and prejudice

The harm and prejudice caused by civil or criminal violations of this Law shall be determined by the judge, and may be based on an expert ruling.

The decision finalizing the matter shall order the infringer to pay the right holder the following:

- (a) adequate compensation to repair the injury that the right holder has suffered due to the infringement, including but not limited to the benefits that the right holder would have obtained if the violation had not occurred;
- (b) the infringer's profits attributable to the infringement that were not considered when calculating the amount for damages referred to in subparagraph (a) above.

When determining the damages caused by infringement of intellectual property rights, the judicial authorities shall consider, *inter alia*, the value of the good or service that is the subject of the infringement, based on the suggested retail price or other legitimate measure of value presented by the right holder.

(as amended by Article 1(d) of Law No. 8656 of July 18, 2008)

Article 40bis.– Pre-established damages

As an alternative to the injury suffered and at the request of the right holder, in civil judicial proceedings relating to infringements of copyright and related rights, or counterfeiting of trademarks and other distinctive signs, the judge may, after hearing the defendant, in accordance with due process, have recourse to pre-established damages. Where the judge decides to apply pre-established damages and weigh criteria of fairness and proportionality, he shall use the following parameters for minimum and maximum amounts when determining levels of harm and prejudice, provided that the amounts fixed are sufficient to compensate the right holder for the injury caused by the infringement and serve to deter future infringements:

- (a) in the case of infringements of copyright and related rights:
 - (i) from one to 50 base salaries, for any infringements covered by the proceedings in respect of a protected work, performance or phonogram, as the case may be;
 - (ii) from 50 to 300 base salaries, for any infringements covered by the proceedings in respect of a protected work, performance or phonogram, as the case may be, where the right holder demonstrates to the satisfaction of the judge that the defendant has willfully committed the infringement;
 - (iii) from one half to 25 base salaries, for any infringements covered by the proceedings in respect of a protected work, performance or phonogram, as the case may be, where the alleged infringer demonstrates to the satisfaction of the judge that he did not know or had no reason to believe that his acts constituted an infringement of copyright or related rights.

The judge may in any case waive payment of damages if the infringer believes and has sufficient grounds to think that his use of the protected work constituted an exception allowed under Law No.

6683 of October 14, 1982, on Copyright and Related Rights, provided that the infringer is:

- (i) an employee or agent of a non-profit educational body, library or archives, acting in the exercise of his duties, who has committed the infringement by reproducing the work in the form of copies or phonograms.
- (ii) a non-commercial, non-profit public broadcasting body, or a person who, as part of the regular activities of a non-commercial, non-profit public broadcasting body, has committed the infringement by performing a non-dramatic published literary work, to the exclusion of cinematographic works, or has reproduced a broadcast that incorporates the performance of the said work.
- (b) in the case of the counterfeiting of trademarks and other distinctive signs, from three to 300 base salaries for each counterfeit trademark."

(as supplemented by Article 2(c) of Law No. 8656 of July 18, 2008)

(**Note by SINALEVI:** In respect of this Article, Transitional Article I of Law No. 8656 gives the Executive two years, beginning from the publication of this Law, to implement the parameters of minimum and maximum amounts for the determination of harm and prejudice established in Article 40bis of Law No. 8039 of October 12, 2000 on Procedures for Enforcement of Intellectual Property Rights)

Article 41.– Civil judgments relating to the confiscation or destruction of goods

At the request of a party or *ex officio*, the judicial authority may, either as an interlocutory injunction or as a sentence, order the seizure of the allegedly infringing goods that form the subject matter of the claim, any related materials or tools and, at least in cases involving counterfeit trademarks, the documentary evidence relating to the infringement. The destruction of the goods found to be counterfeit or pirated may be ordered only as part of a ruling.

The judicial authorities may order that the materials and tools used in the manufacture or creation of such pirated or counterfeit goods be promptly destroyed without any compensation whatsoever or, in exceptional circumstances, be disposed of outside the channels of commerce without any compensation whatsoever, in such a manner as to minimize the risks of further infringements. When considering requests for such destruction, the judicial authorities of the party may take into consideration, *inter alia*, the gravity of the infringement as well as the interests of third parties holding ownership, possession or contractual or secured interests.

In accordance with the foregoing paragraph, the judge may order that those materials and tools which can be used for lawful purposes but which have been used in the manufacture or creation of

pirated or counterfeit goods be donated, in exceptional circumstances and without any compensation to charity for use outside the channels of commerce without any compensation whatsoever, in such a manner as to minimize the risk of further infringements.

The charitable donation of counterfeit trademark goods and goods that infringe copyright and related rights shall not be ordered by the judicial authority without the authorization of the right holder, except that counterfeit trademark goods may in appropriate cases be donated to charity for use outside commercial channels where the removal of the trademark eliminates the infringing characteristics of the good and the good is no longer identifiable with the removed trademark. Under no circumstances shall mere removal of the trademark unlawfully affixed be sufficient to permit the release of goods into commercial channels.

(as amended by Article 1(d) of Law No. 8656 of July 18, 2008)

SECTION II

Criminal proceedings

Article 42.– Precautionary measures in criminal proceedings

In addition to the precautionary measures governed by the Code of Penal Procedure, the precautionary measures mentioned in this Law shall apply in criminal proceedings, insofar as they are compatible.

Article 43.– Penal action

The common criminal procedure system shall govern proceedings relating to the offenses referred to in this Law, which shall take public action upon private complaint. No decision taken in relation to criminal proceedings shall affect the right to bring civil proceedings in the corresponding courts, without prejudice to the provisions of Article 164 of the Code of Civil Procedure.

Notwithstanding, the authorities may conduct investigations or take other enforcement measures *ex officio*, without the need for a formal complaint by a private party or right holder, with a view to preserving evidence and preventing the continuation of the infringing activity.

(as amended by Article 1(e) of Law No. 8656 of July 18, 2008)

CHAPTER V

Criminal offenses

Section I

Offenses related to intellectual property rights arising from trademarks and distinctive signs

Article 44.– Trademark counterfeiting

Whoever falsifies an already registered trademark or distinctive sign in such a way as to cause damage to the exclusive rights conferred by the registration of the trademark or distinctive sign shall be punished as follows:

- (a) by a fine of five to 20 base salaries, where the value of the genuine goods that are the subject of the claim does not exceed five base salaries;
- (b) by six months to two years' imprisonment or a fine of 20 to 80 base salaries, where the value of the genuine goods that are the subject of the claim is between five and 20 base salaries;
- (c) by one to four years' imprisonment or a fine of 80 to 200 base salaries, where the value of the genuine goods that are the subject of the claim is between 20 and 50 base salaries;
- (d) by three to five years' imprisonment or a fine of 200 to 500 base salaries, where the value of the genuine goods that are the subject of the claim exceeds 50 base salaries.

For the purposes of this Article and its interpretation, and for the following articles which also refer to registered trademarks or distinctive signs, the concepts laid down in Law No. 7978 of January 6, 2000 on Trademarks and Distinctive Signs shall be used.

(as amended by Article 1(e) of Law No. 8656 of July 18, 2008)

Article 45.– Sale, storage and distribution of fraudulent goods

Whoever sells, offers for sale, stores, distributes, holds, imports or exports fraudulent goods, including their packaging, wrapping, containers or papers, which contain or incorporate an already registered trademark, in such a way as to cause injury to the exclusive rights conferred by the registration of the trademark or distinctive sign, shall be punished as follows:

- (a) by a fine of five to 20 base salaries, where the value of the genuine goods that are the subject of the claim does not exceed five base salaries;
- (b) by six months to two years' imprisonment or a fine of 20 to 80 base salaries, where the value of the genuine goods that are the subject of the claim is between five and 20 base salaries;
- (c) by one to four years' imprisonment or a fine of 80 to 200 base salaries, where the value of the genuine goods that are the subject of the infringement is between 20 and 50 base salaries;

(d) by three to five years' imprisonment or a fine of 200 to 500 base salaries, where the value of the genuine goods that are the subject of the infringement exceeds 50 base salaries.

(as amended by Article 1(e) of Law No. 8656 of July 18, 2008)

Article 46.— Sale, acquisition or offering of designs or copies that are identical to an already registered trademark

Whoever sells, offers for sale or acquires designs or copies of trademarks that are identical to a registered trademark, separately from the goods for which they are intended, in such a way as to cause injury to the exclusive rights conferred by registration of the trademark or distinctive sign registered, shall be punished as follows:

- (a) by a fine of five to 20 base salaries, where the amount of the injury does not exceed five base salaries;
- (b) by six months to two years' imprisonment or a fine of 20 to 80 base salaries, where the amount of the injury is between five and 20 base salaries;
- (c) by one to four years' imprisonment or a fine of 80 to 200 base salaries, where the amount of the injury is between 20 and 50 base salaries;
- (d) by three to five years' imprisonment or a fine of 200 to 500 base salaries, where the amount of the injury exceeds 50 base salaries.

(as amended by Article 1(e) of Law No. 8656 of July 18, 2008)

Article 47.— Fraudulent identification as a distributor

Any person who identifies himself on the market as an authorized distributor for a given company whose trade name is registered, without being so in reality, in such a way as to cause injury to the exclusive rights conferred by the registration of the duly registered trade name, shall be punished as follows:

- (a) by a fine of five to 20 base salaries, where the amount of the injury does not exceed five base salaries;
- (b) by six months to two years' imprisonment or a fine of 20 to 80 base salaries, where the amount of the injury is between five and 20 base salaries;
- (c) by one to four years' imprisonment or a fine of 80 to 200 base salaries, where the amount of the injury is between 20 and 50 base salaries;
- (d) by three to five years' imprisonment or a fine of 200 to 500 base salaries, where the amount of the injury exceeds 50 base salaries.

(as amended by Article 1(e) of Law No. 8656 of July 18, 2008)

Article 48.— Fraudulent use of geographical indications or appellations of origin

Any person who uses or cancels geographical indications or appellations of origin likely to mislead

the public as to the origin, identity, manufacturer or dealer for a good, in such a way as to cause injury to the intellectual property rights arising from the use, identification or enjoyment of a geographical indication or appellation of origin, shall be punished as follows:

- (a) by a fine of five to 20 base salaries, where the amount of the injury does not exceed five base salaries;
- (b) by six months to two years' imprisonment or a fine of 20 to 80 base salaries, where the amount of the injury is between five and 20 base salaries;
- (c) by one to four years' imprisonment or a fine of 80 to 200 base salaries, where the amount of the injury is between 20 and 50 base salaries;
- (d) by three to five years' imprisonment or a fine of 200 to 500 base salaries, where the amount of the injury exceeds 50 base salaries.

(as amended by Article 1(e) of Law No. 8656 of July 18, 2008)

SECTION II

Offenses related to rights to undisclosed information

Article 49.— *(as repealed by Article 1(e) of Law No. 8656 of July 18, 2008)*

Article 50.— *(as repealed by Article 1(e) of Law No. 8656 of July 18, 2008)*

SECTION III

Offenses related to copyright and related rights

Article 51.— Public performance, communication or making available to the public, without authorization, of literary or artistic works

Any person who performs or communicates to the public protected literary or artistic works, directly or indirectly, by wire or wireless means, including the making available to the public of these works, in such a way that the members of the public may access these works from a place and at a time of their choosing, without the authorization of the author, right holder or right holder's representative, shall be punished as follows:

- (a) by a fine of five to 20 base salaries, where the amount of the injury does not exceed five base salaries;
- (b) by six months to two years' imprisonment or a fine of 20 to 80 base salaries, where the amount of the injury is between five and 20 base salaries;

- (c) by one to four years' imprisonment or a fine of 80 to 200 base salaries, where the amount of the injury is between 20 and 50 base salaries;
- (d) by three to five years' imprisonment or a fine of 200 to 500 base salaries, where the amount of the injury exceeds 50 base salaries.

(as amended by Article 1(e) of Law No. 8656 of July 18, 2008)

Article 52.— Unauthorized communication or making available to the public of phonograms, performances or broadcasts

Any person who communicates to the public, by wire or wireless means, phonograms or broadcasts, including satellite broadcasts, which are protected by Law No. 6683 of October 14, 1982 on Copyright and Related Rights and the amendments thereto, or who makes available to the public such phonograms, performances or broadcasts, in such a manner that the members of the public may access such works from a place and at a time of their choosing, without the authorization of the author, right holder or his representative, shall be punished as follows:

- (a) by a fine of five to 20 base salaries, where the amount of the injury does not exceed five base salaries;
- (b) by six months to two years' imprisonment or a fine of 20 to 80 base salaries, where the amount of the injury is between five and 20 base salaries;
- (c) by one to four years' imprisonment or a fine of 80 to 200 base salaries, where the amount of the injury is between 20 and 50 base salaries;
- (d) by three to five years' imprisonment or a fine of 200 to 500 base salaries, where the amount of the injury exceeds 50 base salaries.

(as amended by Article 1(e) of Law No. 8656 of July 18, 2008)

Article 53.— Recording of another's copyright in the Registry

Any person who wrongfully records as his own, in the National Registry of Copyright and Related Rights, literary or artistic works, phonograms, fixed or unfixed performances or broadcasts, including satellite broadcasts, which are protected by Law No. 6683 of October 14, 1982 on Copyright and Related Rights and the amendments thereto, shall be punished by one to five years' imprisonment or a fine of five to 50 base salaries.

(as amended by Article 1(e) of Law No. 8656 of July 18, 2008)

Article 54.— Unauthorized reproduction of literary or artistic works or phonograms

Any person who fixes and reproduces protected literary or artistic works or phonograms without the authorization of the author, right holder or his representative shall be punished as follows:

- (a) by a fine of five to 20 base salaries, where the amount of the injury does not exceed five base salaries;
- (b) by six months to two years' imprisonment or a fine of 20 to 80 base salaries, where the amount of the injury is between five and 20 base salaries;
- (c) by one to four years' imprisonment or a fine of 80 to 200 base salaries, where the amount of the injury is between 20 and 50 base salaries;
- (d) by three to five years' imprisonment or a fine of 200 to 500 base salaries, where the amount of the injury exceeds 50 base salaries.

Reproducing, on a non-profit basis, literary or artistic works or phonograms, to the extent required to serve as illustrations for teaching, shall not be punishable, if such reproduction is in accordance with benign uses and mentions the source and author's name, if this name is given in the source.

(as amended by Article 1(e) of Law No. 8656 of July 18, 2008)

Article 55.— Fixation, reproduction and transmission of protected performances

Whoever fixes, reproduces or transmits protected performances, without the authorization of the author, right holder or his representative, shall be punished as follows:

- (a) by a fine of five to 20 base salaries, where the amount of the injury does not exceed five base salaries;
- (b) by six months to two years' imprisonment or a fine of 20 to 80 base salaries, where the amount of the injury is between five and 20 base salaries;
- (c) by one to four years' imprisonment or a fine of 80 to 200 base salaries, where the amount of the injury is between 20 and 50 base salaries;
- (d) by three to five years' imprisonment or a fine of 200 to 500 base salaries, where the amount of the injury exceeds 50 base salaries.

The same punishment shall be meted out to anyone who fixes, reproduces or retransmits protected broadcasts, including satellite broadcasts, without the authorization of the author, right holder or his representative, in a way that is likely to cause injury.

(as amended by Article 1(e) of Law No. 8656 of July 18, 2008)

Article 56.— Printing of a greater number of copies of a work

A publisher or printer who reproduces more copies of a work than the number agreed with the author, the right holder or the right holder's representative, in a way that is likely to cause injury, shall be punished as follows:

- (a) by a fine of five to 20 base salaries, where the value of the copies reproduced without authorization does not exceed five base salaries;
- (b) by six months to two years' imprisonment or a fine of 20 to 80 base salaries, where the

value of the copies reproduced without authorization is between five and 20 base salaries;

(c) by one to four years' imprisonment or a fine of 80 to 200 base salaries, where the value of the copies reproduced without authorization is between 20 and 50 base salaries;

(d) by three to five years' imprisonment or a fine of 200 to 500 base salaries, where the value of the copies reproduced without authorization exceeds 50 base salaries.

(as amended by Article 1(e) of Law No. 8656 of July 18, 2008)

Article 57.– Publication of another's works as one's own

Any person who publishes, as his own work or as that of another author, another's protected works which have been changed, the title deleted or the text altered, shall be punished as follows:

(a) by a fine of five to 20 base salaries, where the amount of the injury does not exceed five base salaries;

(b) by six months to two years' imprisonment or a fine of 20 to 80 base salaries, where the amount of the injury is between five and 20 base salaries;

(c) by one to four years' imprisonment or a fine of 80 to 200 base salaries, where the amount of the injury is between 20 and 50 base salaries;

(d) by three to five years' imprisonment or a fine of 200 to 500 base salaries, where the amount of the injury exceeds 50 base salaries.

(as amended by Article 1(e) of Law No. 8656 of July 18, 2008)

Article 58.– Unauthorized adaptation, translation, modification and compilation of literary or artistic works

Any person who adapts, transforms, translates, modifies or compiles protected literary or artistic works, without the authorization of the author, right holder or his representative, in a way that is likely to cause injury, shall be punished by one to five years' imprisonment or a fine of five to 500 base salaries.

Using literary or artistic works, to the extent required, as illustrations for teaching, by means of publications, radio broadcasts or sound or visual recordings shall not be punishable, provided that such utilization is in accordance with benign uses and mentions the source and the author's name, if this name is given in the source.

(as amended by Article 1(e) of Law No. 8656 of July 18, 2008)

Article 59.– Sale, offering, storage, deposit and distribution of fraudulent copies

Any person who sells, offers for sale, stores, distributes, holds, imports or exports fraudulent copies of a literary or artistic work or phonogram, in a way that affects the rights conferred on the holder by Law No. 6683 of October 14, 1982 on Copyright

and Related Rights and the amendments thereto, shall be punished as follows:

(a) by a fine of five to 20 base salaries, where the amount of the injury does not exceed five base salaries;

(b) by six months to two years' imprisonment or a fine of 20 to 80 base salaries, where the amount of the injury is between five and 20 base salaries;

(c) by one to four years' imprisonment or a fine of 80 to 200 base salaries, where the amount of the injury is between 20 and 50 base salaries;

(d) by three to five years' imprisonment or a fine of 200 to 500 base salaries, where the amount of the injury exceeds 50 base salaries.

(as amended by Article 1(e) of Law No. 8656 of July 18, 2008)

Article 60.– Rental of literary or artistic works or phonograms without the authorization of the author or representative

Whoever rents or makes available for rental literary or artistic works or phonograms without the authorization of the author, right holder or his representative shall be punished as follows:

(a) by a fine of five to 20 base salaries, where the amount of the injury does not exceed five base salaries;

(b) by six months to two years' imprisonment or a fine of 20 to 80 base salaries, where the amount of the injury is between five and 20 base salaries;

(c) by one to four years' imprisonment or a fine of 80 to 200 base salaries, where the amount of the injury is between 20 and 50 base salaries;

(d) by three to five years' imprisonment or a fine of 200 to 500 base salaries, where the amount of the injury exceeds 50 base salaries.

(as amended by Article 1(e) of Law No. 8656 of July 18, 2008)

Article 61.– Manufacture, assembly, modification, import, export, sale, rental or distribution by other means, of decoding apparatuses or mechanisms

Any person who manufactures, assembles, modifies, imports, exports, sells, makes available for rental or distributes, by other means, a tangible or intangible device or system, knowing or having reason to know that the device or system primarily serves to decode an encrypted program-carrying satellite signal, without the authorization of the legitimate distributor of this signal, shall be punished by one to five years' imprisonment or a fine of five to 50 base salaries.

(as amended by Article 1(e) of Law No. 8656 of July 18, 2008)

Article 61bis.– Reception and distribution of encrypted program-carrying satellite signals

Any person who receives and distributes a program-carrying signal that originated as an encrypted satellite signal, knowing that it has been decoded without the authorization of the legitimate distributor of the signal, shall be punished as follows:

- (a) by a fine of five to 20 base salaries, where the value of the authorization of the legitimate distributor does not exceed five base salaries;
- (b) by six months to two years' imprisonment or a fine of 20 to 80 base salaries, where the value of the authorization of the legitimate distributor of the signal is between five and 20 base salaries;
- (c) by one to four years' imprisonment or a fine of 80 to 200 base salaries, where the value of the authorization of the legitimate distributor of the signal is between 20 and 50 base salaries;
- (d) by three to five years' imprisonment or a fine of 200 to 500 base salaries, where the value of the authorization of the legitimate distributor of the signal exceeds 50 base salaries.

(as supplemented by Article 2(d) of Law No. 8656 of July 18, 2008)

Article 62.– Alteration, circumvention, removal, modification or impairment of effective technological measures against the reproduction, access or making available to the public of works, performances or phonograms

Any person who alters, circumvents, removes, modifies or degrades in any way effective technological measures of any kind that control access to works, performances or phonograms or other materials that are the subject of protection shall be punished by one to five years' imprisonment or a fine of five to 500 base salaries.

Criminal sanctions shall not be applied for the acts indicated if they are performed by officials of libraries, archives, educational institutions or non-commercial, non-profit public broadcasting bodies, in the exercise of their duties.

Any of the acts described in the first paragraph above shall give rise to separate civil proceedings or an offense, regardless of any violation that may be committed under the Law on Copyright and Related Rights.

Only the following activities shall not be punishable, provided they do not affect the adequacy of legal protection or the effectiveness of legal remedies for the circumvention of effective technological measures:

- (a) non-infringing reverse engineering activities in respect of a lawfully obtained copy of a computer program, with respect to particular elements of that computer program that were not readily available to the person engaged in those activities, for the sole purpose of ensuring interoperability of an independently created computer program with other programs;

- (b) non-infringing good faith activities, performed by an appropriately qualified researcher who has lawfully obtained a copy, performance or sample of an unfixed work, performance or phonogram and who has made an effort to obtain authorization for such activities, to the extent necessary and for the sole purpose of identifying and analyzing flaws and vulnerabilities of technologies for the scrambling and descrambling of information;
- (c) the inclusion of a component or part for the sole purpose of preventing the access of minors to inappropriate on-line content in a technology, good, service, or device that is not itself prohibited;
- (d) non-infringing good faith activities that are authorized by the owner of a computer, computer system or computer network for the sole purpose of testing, investigating or correcting the security of that computer, computer system or computer network;
- (e) access by officials of a nonprofit library, archives or educational institution to a work, performance or phonogram not otherwise available to them, for the sole purpose of making acquisition decisions;
- (f) non-infringing activities for the sole purpose of identifying and disabling a capability to carry out undisclosed collection or dissemination of personal identification information reflecting the on-line activities of a natural person in a way that has no other effect on the ability of any person to gain access to any work;
- (g) lawfully authorized activities carried out by government employees, agents or contractors for law enforcement, intelligence, national defense, essential security, or similar government purposes.

(as amended by Article 1(e) of Law No. 8656 of July 18, 2008)

Article 62bis.– Manufacture, import, distribution or offering of or trafficking in devices, goods, components or services to circumvent effective technological means against the communication, reproduction, access, making available to the public or publication of works, performances or phonograms

One to five years' imprisonment or a fine of five to 50 base salaries shall be the sanction applicable to anyone who manufactures, imports, distributes, offers to the public, provides or in another way traffics devices, goods or components, or offers or provides to the public services which:

- (i) are promoted, advertized or marketed for the purpose of circumvention of an effective technological measure;
- (ii) are primarily designed, produced or performed for the purpose of enabling or facilitating the circumvention of an effective technological measure.

The sanction shall also apply to anyone who manufactures, imports, distributes, offers to the

public, provides or in another way traffics devices, goods or components or offers to the public or provides services only of limited commercial purpose or use apart from circumventing an effective technological measure.

Criminal sanctions shall not be applied where the acts indicated are performed by officials of non-profit libraries, archives or educational institutions, or public non-commercial broadcasting entities in the exercise of their duties.

With regard to goods, services or devices that circumvent effective technological measures protecting any of the exclusive copyrights or related rights in a work, performance or phonogram, only the following activities shall not be punishable, provided that they do not impair the adequacy of legal protection or the effectiveness of legal remedies against the circumvention of effective technological measures:

- (a) non-infringing reverse engineering activities in respect of a lawfully obtained copy of a computer program, performed in good faith with regard to particular elements of that computer program that were not readily available to the person engaged in those activities, for the sole purpose of ensuring interoperability of an independently created computer program with other programs;
- (b) lawfully authorized activities carried out by government administration or public sector employees, agents or contractors for law enforcement, intelligence, essential security or similar government purposes.

With regard to goods, services or devices that circumvent effective technological measures controlling access to a protected work, performance or phonogram, only the following activities shall not be punishable, provided that they do not impair the adequacy of legal protection or the effectiveness of legal remedies against the circumvention of effective technological measures:

- (i) non-infringing reverse engineering activities in respect of a lawfully obtained copy of a computer program, performed in good faith with regard to particular elements of that computer program that were not readily available to the person engaged in those activities, for the sole purpose of ensuring interoperability of an independently created computer program with other programs;
- (ii) lawfully authorized activities performed by government administration or public sector employees, agents or contractors for law enforcement, intelligence, national defense, essential security or similar government purposes;
- (iii) non-infringing good faith activities, performed by an appropriately qualified researcher who has lawfully obtained a copy,

performance or sample of an unfixed work, performance or phonogram and who has made a good faith effort to obtain authorization for such activities, to the extent necessary and for the sole purpose of identifying and analyzing flaws and vulnerabilities of technologies for the scrambling and descrambling of information;

(iv) the inclusion of a component or part for the sole purpose of preventing the access of minors to inappropriate online content in a technology, good, service or device that is not itself prohibited under this Article;

(v) non-infringing good faith activities that are authorized by the owner of a computer, computer system or computer network for the sole purpose of testing, investigating or correcting the security of that computer, computer system or computer network.

(as supplemented by Article 2(d) of Law No. 8656 of July 18, 2008)

(NOTE BY SINALEVI: *With regard to this Article, Transitional Article II of Law No. 8656 stipulates that the provisions incorporated in Article 62bis of Law No. 8039 of October 12, 2000 on Procedures for Enforcement of Intellectual Property Rights shall enter into force one year after publication of this Law.*

Article 63.– Alteration, distribution, import, transmission or communication of rights management information

Anyone who, without authorization:

(a) knowingly removes or alters any rights management information;

(b) distributes or imports for distribution rights management information, knowing that such information has been removed or altered without authority;

(c) distributes, imports for distribution, broadcasts, communicates or makes available to the public copies of works, performances or phonograms, knowing that the rights management information has been removed or altered without authority,

shall be liable to one to five years' imprisonment or a fine of five to 500 base salaries.

Sanctions shall not be imposed for the acts indicated if they are performed by officials of nonprofit libraries, archives or educational institutions or public noncommercial nonprofit broadcasting entities.

(NOTE BY SINALEVI: *With regard to the foregoing paragraph, Transitional Article III of Law No. 8656 indicates that the provisions incorporated in the*

second paragraph of Article 63 of Law No. 8039 of October 12, 2000 on Procedures for Enforcement of Intellectual Property Rights shall enter into force one (1) year following the publication of the Law.)

Nor shall lawfully authorized activities carried out by government administration or public sector employees, agents or contractors for law enforcement, intelligence, national defense, essential security or similar government purposes be punishable.

(as amended by Article 1(e) of Law No. 8656 of July 18, 2008)

SECTION IV

Offenses pertaining to rights in patents, industrial designs and utility models

Article 64.— *(as repealed by Article 1 of Law No. 8656 of July 18, 2008)*

Article 65.— *(as repealed by Article 1 of Law No. 8656 of July 18, 2008)*

Article 66.— *(as repealed by Article 1 of Law No. 8656 of July 18, 2008)*

Article 67.— *(as repealed by Article 1 of Law No. 8656 of July 18, 2008)*

Article 68.— *(as repealed by Article 1 of Law No. 8656 of July 18, 2008)*

SECTION V

Offenses pertaining to rights in layout designs (topographies) of integrated circuits

Article 69.— **Violations of rights deriving from a layout design (topography) of integrated circuits**

Any person who reproduces, exploits, sells, offers for sale, stores, distributes, holds, imports or exports fraudulent copies or incorporates an integrated circuit that contains an unlawfully reproduced layout design, in such a way as to injure the rights deriving from an original layout design (topography) or any of its parts, shall be liable to one to three years' imprisonment.

For the purposes of this Article and its interpretation, the concepts of "integrated circuit" and "layout design" laid down in Law No. 7961 of December 17, 1999 on the Protection of Layout Designs of Integrated Circuits shall be used.

SECTION VI

Provisions common to all types of criminal offenses covered by this Chapter

Article 70.— **Criteria for application**

For any of the articles contained in Chapter V of this Law, criminal sanctions shall apply at least in cases of trademark counterfeiting or piracy which prejudices copyright or related rights, import or export of counterfeit or pirated products, on a commercial scale. Willful copyright or related rights piracy on a commercial scale shall include significant infringement of copyright and related rights, for purposes of obtaining commercial advantage or private financial gain, as well as infringement that has no direct or indirect motivation of financial gain, provided that there is financial harm in excess of half of a base salary.

(as amended by Article 1(f) of Law No. 8656 of July 18, 2008)

Article 70bis.— **Valuation criteria**

The amount of the prejudice contained in Articles 46 to 48 of Chapter V of this Law shall be set using the value of the genuine goods that are the subject of the infringement or the value of the authorization, as the case may be.

The amount of the prejudice contained in Articles 51, 52, 54, 55, 57, 59 and 60 of Chapter V of this Law shall be set using the following elements, as the case may be:

(a) the retail price for each original work, performance or phonogram that has been infringed, multiplied by the total number of infringing copies of the work, performance or phonogram;

(b) the licensing fee applicable for the public performance, communication to the public, making available, fixation, reproduction or transmission of the work, performance or phonogram, as set by the collective management societies.

When determining the amount of the harm, the judge shall also consider any other legitimate means of establishing the value of the original works, performances or phonograms presented, including licensing fees set for comparable works, performances or phonograms.

(as supplemented by Article 2(e) of Law No. 8656 of July 18, 2008)

Article 71.— **Seizure and destruction of goods ordered pursuant to a criminal judgment**

At a party's request or *ex officio*, the judicial authorities may, either as an interlocutory injunction or in the sentencing decision, order the seizure of the counterfeit or illegal goods. Their destruction may only be ordered in the sentencing decision.

Final provisions

Article 72.– Additions

(a) A new final paragraph is hereby added to Article 95 of Law No. 6683 of October 14, 1982 on Copyright and Related Rights, to read as follows:

“Article 95 –
(...)”

In addition to the functions laid down by this Law, the National Registry of Copyright and Related Rights, as represented by its Director, may order precautionary measures under the terms and conditions set out in the Law on Procedures for Enforcement of Intellectual Property Rights.”

(b) A new paragraph is hereby added to Article 95 of Law No. 7978 of January 6, 2000 on Trademarks and Other Distinctive Signs, to read as follows:

“Article 95 –
(...)”

In addition to the functions laid down by this Law, the Industrial Property Registry, as represented by its Director, may order precautionary measures under the terms and conditions set out in the Law on Procedures for Enforcement of Intellectual Property Rights.”

Article 73.– Repealed provisions

The following provisions are hereby repealed:

(a) Articles 117 to 120, Articles 122 and 124, Articles 126 to 131, and Articles 133 to 146 of Law No. 6683 of October 14, 1982 on Copyright and Related Rights;

(b) Articles 36, 37 and 38 of Law No. 6867 of April 25, 1983 on Patents, Industrial Designs and Utility Models;

(c) subparagraphs (a) and (c) of Article 1 of Law No. 7274 of December 10, 1991 on the Establishment of the Third Section of the Administrative Dispute Tribunal, with regard to registrations recorded in the National Register.

Article 74.– Regulations

The Executive shall issue regulations under this Law within six months following its publication.

Transitional Article I.–

Processing of applications that are pending and those whose processing are initiated during the period of transition from the entry into force of this

Law shall be continued until the Administrative Registration Tribunal is established and starts to operate, until a final decision has been taken, by the Third Section of the Higher Administrative Dispute Tribunal, established under Law No. 7274 of December 10, 1991.

Transitional Article II.–

The Executive is hereby given a period of one year, beginning from the date of publication of this Law, to set up and start operating the Administrative Registration Tribunal.

Transitional Article III.–

The Administrative Registration Tribunal established under this Law may acquire the goods and services it needs to function. Such goods and services may be funded out of the operational budgetary surplus of the National Registry.

In force from the time of its publication.