

## LAW OF GEORGIA

### ON BORDER MEASURES RELATED TO INTELLECTUAL PROPERTY

#### Chapter I - General Provisions

##### Article 1 - Scope of the Law

This Law establishes the rules for the application of special border measures with respect to goods produced through the infringement of copyright and related rights, the right of a database producer, exclusive rights to designs, exclusive rights to patents, exclusive rights to integrated circuit topology, breeders' exclusive rights, rights to appellations of origin or geographical indications of goods, and/or exclusive trademark rights, at the time of their movement within the customs territory of Georgia in accordance with the operations for import, storage, free zone, re-export and export. It is based on the provisions on special border measures of the Agreement on Trade-Related Aspects of Intellectual Property Rights concluded within the framework of World Trade Organisation.

##### Article 2 – Definition of terms used in the Law

The terms used in this Law shall have the following meanings:

a) a right holder – a natural or a legal person, who, in accordance with the legislation of Georgia, has a copyright or a related right, the right of a database producer, an exclusive right to a design, an exclusive right to a trademark, an exclusive right to a patent (including the right to a patent, whose period of validity has been extended), an exclusive right to an integrated circuit topology, a breeder's exclusive right, and/or a right to use an appellation of origin or a geographical indication;

b) an owner of goods - a natural or a legal person, who is the owner of goods with regard to which there is a reasonable doubt that such goods are counterfeit, or who has a similar right to dispose of such goods, or who exercises physical control over such goods;

c) counterfeit products:

c.a) products produced through the infringement of copyright and related rights/goods produced through the infringement of the right of a database producer - counterfeit copies defined by the Law of Georgia on Copyright and Related Rights;

c.b) goods produced through the infringement of trademark, service mark and/or collective mark rights ('the trademark'), including goods to be packed, on which an unauthorised trademark is placed which is identical to the trademark legally registered in relation to goods, or does not substantially differ from the mentioned trademark, and hence infringes the exclusive rights of a trademark holder provided for by the legislation of Georgia;

c.c) packages, labels, stickers, brochures, instructions for use, warranty documents, or similar goods (even if such goods are presented separately), produced through the infringement of rights to trademarks, or appellations of origin, or geographical indications of goods, and includes a mark, a name, or a term that is identical to the legally registered trademark, or the appellation of origin, or the geographical indication of protected goods, or which cannot be distinguished (on the basis of its essential aspects) from the legally registered trademark, or the appellation of origin, or

the geographical indication, and which may be used for the same type of goods, for which the registration of the trademark, or the appellation of origin, or the geographical indication was carried out;

c.d) products manufactured through the infringement of exclusive rights to a design – a product manufactured without the permission of a holder of the right to a design who is registered in Georgia as provided for by law, which involves a design, or for which a design is used, and which, accordingly, infringes the exclusive rights of a holder of the right to a design determined by the legislation of Georgia;

c.e) products manufactured through the infringement of rights to appellations of origin, or to geographical indications – goods on which the appellations of origin, or the geographical indications are illegally used;

c.f) products manufactured through the infringement of exclusive rights to integrated circuit topology - the use of integrated circuit (IC) batteries, or three-dimensional layouts prepared for the production of integrated circuits produced without the permission of the holder of the integrated circuit topology registered in Georgia as provided for by law, which infringes the exclusive rights of the holder of the integrated circuit topology established by the legislation of Georgia;

c.g) products manufactured through the infringement of a breeder's exclusive rights - the use of a new species of animal or plant, without the permission of the holder of a breeder's right registered in Georgia as provided for by law, which infringes the breeder's exclusive rights established by the legislation of Georgia;

c.h) products manufactured through the infringement of the exclusive rights of a patent holder - a product manufactured in Georgia through the infringement of exclusive rights to an invention protected by patent, or of a utility model, arising from the patent, as provided for by law, which infringes the exclusive rights of a patent holder established by the legislation of Georgia;

d) destruction - physical destruction, recycling, or disposal of goods in such manner so as not to be able to use the goods in economic activities. In addition, it is required that any damage to a holder of the right be avoided;

e) original goods - products that are not produced through the infringement of copyright and related rights, exclusive rights to a design, exclusive rights to integrated circuit topology, the exclusive rights of a patent holder, breeders' exclusive rights, rights to appellations of origin, or geographical indications of goods, or exclusive rights to a trademark;

f) suspension of goods before registration - the authority of the Service to protect the right of a holder of the right with respect to an object of intellectual property, which is protected in Georgia, but is not entered into the Register;

g) the Service - a legal entity under public law called the Revenue Service under the auspices of the Ministry of Finance of Georgia;

h) the Register - a registry of the objects of intellectual property with the Service, where the Service enters an object of intellectual property for the purpose of protecting a holder's rights, on the basis of an application for registration submitted by the holder of the right, or his/her representative, if the conditions for registration of objects of intellectual property provided for by this Law are met.

## **Chapter II - Protection of Intellectual Property Rights by the Service**

### **Article 3 - Protection of the rights of a holder of rights**

1. The Service shall protect the rights of a holder of a right with respect to an object of intellectual property which is entered into the Register.
2. The Service shall be authorised to protect the rights of a holder of a right with respect to objects of intellectual property, which are preserved in Georgia but are not entered into the Register.
3. The Service shall protect the rights of a holder of a right with respect to an object of intellectual property using the border measures provided for by this Law.

#### **Article 4 - Rules and conditions for registering objects of intellectual property**

1. A holder of a right, or his/her representative ('the applicant') may submit an application to the Service to enter an object of intellectual property in the Register ('the Registration') either in writing, or electronically, through the official website of the Service, and require the suspension of the movement of counterfeit goods across the customs border of Georgia, or the implementation of any other procedures, and also require the protection of the rights of the holder of the right.
2. An application for registration shall include:
  - a) the name and address of the holder of the right;
  - b) information on the object of intellectual property;
  - c) a list of goods containing the object of intellectual property;
  - d) a detailed description of the original goods, and any information (including photographs of the original goods and of packaging, and specific and technical data relating to the original goods) that simplifies the process of the recognition of the goods;
  - e) information on the producer and the country of origin of the goods, as well as information on importers/exporters of the original goods;
  - f) any information on goods produced through the infringement of rights to the object of intellectual property (including information on the origin and location of such goods, or batch of goods, and details necessary to identify their packaging, the movement of the goods, the means of transport used, a consigner, a consignee, or an owner of goods, and on the distinctive marks of the original goods, and goods produced through the infringement of rights);
  - g) the period of registration, which shall not exceed two years. The period may be extended several times upon the request of an applicant, but not for longer than the period of validity of the rights to the object of intellectual property;
  - h) a statement that the applicant undertakes to compensate, for material damage, an importer, an exporter or an owner of goods, and/or another person, as a result of the suspension of goods in the cases provided for by this Law;
  - i) the name, address and other contact information of the representative in legal and technical matters of the holder of the right.
3. In the case of the suspension of the goods before registration, if a person authorised to submit an application for registration is identified, he/she is obliged to submit a complete application within two working days after receiving a notification provided for by Article 5(4) of this Law, (except as provided for paragraph by (4) of this article).

4. In the case provided for by paragraph (3) of this article, if an application for registration does not contain information provided for by paragraph 2(d), (f), and (g) of the same article, only a particular batch of goods shall be suspended, and the appropriate procedures provided for by the tax legislation of Georgia shall apply. An object of intellectual property shall be registered if the holder of the right fully submits information as provided for by paragraph (2) of this article within 10 working days after receiving the notification.

5. An application for registration shall be accompanied by an original copy of a document certifying the rights of an applicant to the object of intellectual property (a certificate, licence agreement, certificate of deposition, or other documents defined by the legislation of Georgia), or a copy thereof certified in accordance with the legislation of Georgia, and/or an original copy of the object of intellectual property, or a copy thereof certified in accordance with the legislation of Georgia, and if the application for registration is submitted by a representative of the holder of the right, also a document certifying the authority of representation (a power of attorney, drafted in the Georgian language, or translated and certified by a notary, or any other document certifying the authority of representation).

6. The Service, within one month after receiving the application for registration, and within two working days in the case of the suspension of goods before registration, shall make a decision on the registration of the object of intellectual property, or on the justified refusal for its registration.

7. In the case of changes in the data of the application for registration, and also where the right to the object of intellectual property referred to in the application for registration ceases to apply, or the authority of a holder of the right to submit the said application has expired for any other reason, the applicant is obliged to notify the Service thereof immediately. Where the right to the object of intellectual property ceases to apply, or the authority to submit the application expires for any other reason, the Service may terminate the review of the application.

8. If the period of registration is extended, the application for registration shall meet the requirements provided for by paragraphs (2) and (3) of this article.

9. An application regarding the extension of the period of registration shall be submitted no later than 10 working days before the expiry of the period of registration. If the application on the extension of the period of registration submitted within the said period complies with the conditions provided for by paragraph (8) of this article, the Service shall make a decision on the extension of the period of registration, and inform the applicant thereof within five working days after making such decision.

10. The Service may make a decision to remove the object of intellectual property from the Register, if:

a) it becomes known that an applicant has lost the right to the object of intellectual property established by the legislation of Georgia;

b) the holder of the right, despite receiving a notification on the suspension of goods, does not carry out the measures provided for by Article 9(1)(a), or Article 10(1) and (3) of this Law;

c) the holder of the right has requested the removal of the object of intellectual property from the Register;

d) the holder of the right used information provided by the Service in accordance with Article 5(4), Article 6(2), or Article 7(3) of this Law for purposes other than those provided for by Article 11 of this Law.

#### **Article 5 - Suspension of goods before registration**

1. If the Service has grounds to believe that goods moved within the customs territory of Georgia have been produced through the infringement of intellectual property rights which are protected in Georgia, but which rights have not been entered in the Register, the Service shall be authorised to make a decision to suspend the movement of such goods (except for perishable goods), and/or the procedures provided for by the tax legislation of Georgia, for three working days.
2. Before the suspension of goods provided for by paragraph (1) of this article, the Service may provide a person, who is potentially authorised to submit an application for registration, with information on the factual/estimated quantity, variety and the image of goods (photographs of goods, including packaging material), and to request any information required for the identification of the goods.
3. The Service shall provide information on the suspension of goods to the owner of the goods within one working day after making a decision thereon.
4. On the day of the suspension of goods, or immediately after the information provided for by paragraph (3) of this article is sent to an owner of goods, the Service is obliged to notify (if required, electronically) a person (in the case of his/her identification) authorised to submit an application for registration, on the suspension of the goods, and provide him/her (if required, electronically) with information provided for by paragraph (2) of this article. In addition, the Service shall be authorised to request from him/her the submission of any information necessary for the identification of the goods.
5. If several persons are joint owners of goods, the Service shall be authorised to provide information provided for by paragraph (3) of this article to one of the owners only.
6. In order to identify the person authorised to submit an application for registration, the Service shall be guided by information entered into the Register relating to the relevant object of intellectual property, kept with a legal entity under public law called the National Intellectual Property Centre of Georgia, Sakpatenti ('Sakpatenti'), and shall apply to Sakpatenti, or another competent authority/agency, where necessary.
7. The notifications provided for by paragraphs (2) and (4) of this article shall also contain information on the border measures to be carried out against goods that have been, or are going to be, suspended.
8. A person authorised to submit an application for registration shall be entitled to send the information requested in accordance with paragraphs (2) and (4) of this article, electronically, to an email address specified in the notification.
9. The suspended goods shall be released immediately after the completion of all procedures provided for by the tax legislation of Georgia in the following cases:
  - a) if a person authorised to submit an application for registration cannot be identified;
  - b) if a person authorised to submit an application for registration has been identified, but the application has not been submitted within the period provided for by Article 4(3) of this Law, and in compliance with the relevant procedures, or the Service has made a decision on the refusal to register;
  - c) on the basis of a request from the person authorised to submit an application for registration, if the application contains information on the reasons for cancelling a decision on the suspension.

10. If the application on registration is approved, the Service, on the basis of the request of an applicant, shall extend the period of suspension of goods for 10 working days, and in accordance with the request, provide him/her with the information provided for by Article 7(3) of this Law.

#### **Article 6 - Suspension of goods produced through the infringement of rights to a registered object of intellectual property**

1. If, at the time of the movement of goods in the customs territory of Georgia, the Service has grounds to believe that goods have been produced through the infringement of intellectual property rights which are protected in Georgia and which have been entered into the Register, the Service shall make a decision to suspend the movement of such goods ('the suspension of goods'), and/or the procedures provided for by the tax legislation of Georgia, for 10 working days (in the case of perishable goods, for three working days).

2. An applicant shall be immediately notified of the decision of the Service and the name and the address of an importer, exporter and/or an owner of goods. The owner of goods shall be immediately notified of the decision and the name and address of the applicant.

3. Prior to the suspension of the goods, the Service may provide an applicant with information on the factual/estimated quantity, variety and the image of the goods (photographs of goods, including packaging material), containing the object of intellectual property for the purpose of the identification of the goods, and request any information required for the identification of such goods.

#### **Article 7 - The conduct of inspection and the right to obtain information**

1. An applicant may, with the permission of the Service, in the presence of the owner of goods, or his/her representative, inspect the suspended goods and take a sample from goods to be inspected. In the case of a request of an applicant, the Service shall be authorised to take a sample from the goods to be inspected, and send it to the applicant to ensure the conduct of an expert inspection. The applicant shall be responsible for the samples of goods. In addition, if the taken sample is not fully spent, the applicant is obliged to return the sample, or the remaining part thereof, upon the completion of the inspection.

2. An applicant may request an extension of the period of the suspension of goods by 10 working days only if the period provided for by Article 6(1) of this Law is insufficient to conduct an expert inspection of the sample of goods to be inspected. In the case of perishable goods, the period shall not be extended.

3. Upon request, the Service is obliged to provide available information (including information on the factual/estimated quantity, the variety, a consigner, and/or a consignee of goods, a country of origin, and the place of destination) to an applicant and to an owner of goods, or his/her representative, which is required for the identification of goods and the conduct of an inspection. Such information is confidential and shall not be disclosed, except for the cases provided for by the legislation of Georgia. The disclosure of such information by an applicant shall entail the removal of the object of intellectual property from the Register by the Service, and the termination of the procedures for the suspension of goods.

#### **Article 8 - Early release of suspended goods**

1. If there are proceedings initiated in a court with respect to suspended goods produced through the infringement of exclusive rights to a design, patent, integrated circuit topology and/or breeders' exclusive rights, and if an owner of

goods requests the release of goods before the expiry of the period of suspension, the Service shall be authorised to release the goods, if all the procedures provided for by the tax legislation of Georgia are completed, and the owner of the goods provides one of the following guarantees:

- a) in the amount defined by the mutual agreement of the owner of the goods and the holder of the right;
- b) in the amount which is not less than the amount of the customs value of the suspended goods.

2. The procedure for submitting the guarantees provided for by paragraph (1) of this article shall be determined by the Minister of Finance of Georgia.

### **Article 9 - Annulment of the decision on the suspension of goods**

1. The Service shall annul a decision to suspend goods:

- a) at an applicant's request, if he/she confirms that the goods are not counterfeit;
- b) if the Service makes a decision to remove the object of intellectual property from the Register in accordance with Article 4(10) of this Law;
- c) in the case provided for by Article 7(3) of this Law.

2. Upon the submission of an application for registration of an object of intellectual property, an applicant shall fulfil the obligation undertaken under Article 4(2)(h) of this Law, after he/she is given an opportunity to inspect the suspended goods, and where the reasonableness of the suspicion of the Service and/or the applicant is not identified.

3. An applicant shall bear the expenses for the storage of goods from the moment of receiving a notification on the suspension of goods under Article 5(10), or Article 6(2) of this Law.

### **Article 10 - Seizure and destruction of goods by the Service**

1. If an applicant and an importer, exporter and/or an owner of goods, within the period of the suspension of goods, and after receiving a notification provided for by Article 5(4) or Article 6(2) of this Law, submits a written agreement to the Service declaring that the owner of the goods refuses to take the suspended goods, such goods (except for the sample referred to in paragraph (5) of this article) shall be destroyed at the expense, and under the responsibility, of the applicant, and under the supervision of the Service. In the case of perishable goods, the period for submission of the written agreement to the Service shall comprise three working days.

2. If an agreement provided for by paragraph (1) of this article is not reached, the dispute between the parties shall be reviewed by a court. In such case, all the matters related to the suspension of the goods (including the duration of the suspension of goods, the extent of damage incurred, and the fact of the violation of rights) shall be resolved on the basis of a court decision.

3. In the case of filing a statement of claims to a court during the period of validity of the decision on the suspension of goods, an applicant, or an importer, an exporter and/or an owner of goods, shall present a court ruling to the Service immediately.

4. If the procedures provided for by paragraphs (1) and (3) of this article are not carried out during the period of validity of the decision on the suspension of goods, the Service shall ensure the implementation of necessary measures for the release of the goods.

5. The Service may keep a sample and/or an electronic version of a photograph of the goods to be destroyed, which may be used for training purposes afterwards.

6. Goods to be destroyed, after removal of any image, label, imprint and package containing the object of intellectual property, may be used for humanitarian or charity purposes, only with the consent of the applicant, and provided that such goods do not endanger human life or health.

#### **Article 11 - Use (disclosure) of information provided by the Service by a holder of a right**

A holder of a right shall be entitled to use (disclose) information provided by the Service in accordance with Article 5(4), Article 6(2) and Article 7(3) of this Law in order to:

- a) initiate proceedings in a court for identifying the violation of intellectual property rights, and during the proceedings;
- b) exercise rights in connection with the current investigation of a criminal case on the possible infringement of intellectual property rights, if the proceedings are conducted by the law enforcement bodies of the country where the goods produced through possible infringement of intellectual property rights have been suspended;
- c) initiate the investigation of a criminal case on goods produced through possible infringement of intellectual property rights, and during the course of investigation;
- d) compensate for the damage incurred as a result of the infringement of intellectual property rights;
- e) give written consent as provided for by Article 10(1) of this Law on the destruction of goods;
- f) give consent to an owner of goods on the guarantee amount as provided for by Article 8(1)(a) of this Law.

#### **Article 12 - Releasing the Service from liability**

The Service shall not be held liable, if in the course of the fulfilment of the procedures provided for by the tax legislation of Georgia, the possible infringement of intellectual property rights was not identified, which was followed by the release of the goods in question, or the failure by the Service to carry out procedures for the suspension of goods under this Law.

#### **Article 13 - Exceptions with regard to the applicability of this Law**

This Law shall not apply to:

- a) a small quantity of non-commercial goods, which is placed in the baggage, or the hand luggage of a passenger, and/or is intended for personal use;
- b) original goods, even if the movement of such goods in the customs territory of Georgia is carried out without the consent of a holder of a right thereto;
- c) goods produced by a person authorised by a holder of a right, which are produced in a quantity which is more than the quantity agreed between the person and the holder of the right;



d) measures to be taken during criminal proceedings.

### **Chapter III - Transitional and Final Provisions**

#### **Article 14 - Invalid normative act**

Upon the entry into force of this Law, the Law of Georgia No 2159-III of 23 June 1999 on Border Measures Related to Intellectual Property (Legislative Herald of Georgia No 31(38), 1999, Art., 163) shall be declared void.

#### **Article 15 - Entry into force of the Law**

This Law shall enter into force on the 45<sup>th</sup> day after its promulgation.

**President of Georgia**

**Giorgi Margvelashvili**

**Kutaisi**

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