

**LAW ON CUSTOMS MEASURES FOR PROTECTION OF
INTELLECTUAL PROPERTY RIGHTS
WITH THE PROPOSAL LAW**

CHAPTER 1

GENERAL PROVISIONS

Article 1

(1) This Law provides for the procedure for action by the customs authorities when goods are suspected of infringing an intellectual property right in the situations when the goods:

- 1) are declared for release for free circulation, export or re-export in accordance with customs rules;
- 2) they are found during controls on goods being entered in or exited from the customs area of the Republic of Macedonia, placed under a transit procedure, customs warehousing procedure, inward-processing procedure, processing under customs supervision or temporary import, or placed in a free zone or free warehouse in accordance with customs rules.

(2) This Law also fixes the measures for protection of intellectual property rights to be taken by the customs authorities when the goods referred to in paragraph (1) of this Article are found to infringe intellectual property rights.

Article 2

This Law shall not apply to:

- 1) goods bearing a trademark with the consent of the holder of that trademark or to goods bearing a designation of origin or a protected geographical indication or which are protected by a patent, by a

copyright or related right or by an industrial design right and which have been manufactured with the consent of the right-holder, when they are placed in one of the situations referred to in Article 1 of this Law without the latter's consent.

2) goods referred to in item 1) of this Article which have been manufactured under conditions other than those agreed with the right-holder.

3) goods part of the personal baggage of a traveller, items of non-commercial nature of minor value entered together with the items from the personal baggage of a traveller and items of non-commercial nature of minor value received from abroad on occasional basis and relieved from import duty payment in accordance with customs rules, provided there are no reasonable grounds to suspect the goods are part of commercial traffic.

Article 3

For the purpose of this Law, the following terms shall have the following meaning:

1) 'Intellectual property right' means the right to industrial property and copyright and other related right prescribed by law.

2) 'Goods infringing an intellectual property right' means:

1. 'counterfeit goods':

a. goods, including packaging, bearing without authorisation from the right-holder a trademark identical to the valid trademark registered in respect of the same type of goods, or which cannot be distinguished in its essential aspects from such

a trademark, and which thereby infringes the right of the holder of the trademark in accordance with law;

b. any trademark symbol (including: a logo (words, letters, figures, photos, drawings, colour combinations, three-dimensional forms); forms of the goods and their packaging; combinations of the aforementioned symbols, label, sticker, brochure, instructions for use or guarantee document bearing such a symbol), even if presented separately from the goods, on the same conditions as the goods referred to under item 1. sub-item a. of this paragraph;

c. packaging materials bearing the trademarks of counterfeit goods, even if presented separately from the goods, on the same conditions as the goods referred to under a. of this item;

2. 'pirated goods', goods which are or contain copies made without the consent of the holder of a copyright or related right, where the making of those copies would constitute an infringement of a copyright or related right in accordance with law;

3. goods which infringe a patent, industrial design, designation of origin or geographical indication right in accordance with law.

Any mould or matrix which is specifically designed or adapted for the manufacture of goods infringing an intellectual property right shall also be treated as goods infringing an intellectual property right if the use of such moulds or matrices infringes the right-holder's rights in the Republic of Macedonia, devices, products, components or parts for defeating protection (such as smart cards, decoders or software, swap systems or systems for other changes, etc) or copy control.

3) 'Right-holder' means:

1. any domestic or foreign, legal and natural person which is, in accordance with law, a holder of a patent right, industrial design right, trademark, designation of origin, geographical indication, copyright or related right or

2. any other domestic or foreign, legal and natural person authorised to use any of the intellectual property rights mentioned in item 1) of this paragraph, or a representative of the right-holder or of the person authorised to use any of the intellectual property rights.

4) ‘Working day’ means a working day of the Central Administration of the Customs Administration.

5) ‘Customs authority’ means the organisational unit of the Customs Administration in accordance with law.

Article 4

(1) If not otherwise provided for under this Law, the customs authority conducting the procedure shall apply the Law on General Administrative Procedure.

(2) The provisions of this Law shall be without prejudice to the rules governing the protection of industrial property rights and copyright and other related rights.

CHAPTER 2

ACTING IN THE LINE OF DUTY AND APPLICATIONS FOR ACTION BY THE CUSTOMS AUTHORITIES

Part 1

Acting in the line of duty

Article 5

(1) Where the customs authorities, in the course of action in one of the situations referred to in Article 1 paragraph (1) of this Law and before an application has been lodged by a right-holder or granted, have sufficient grounds for suspecting that goods infringe an intellectual property right, they may suspend the release of the goods or detain them.

(2) The customs authority shall immediately notify the right-holder of the measure referred to in paragraph (1) of this Article in order to enable the right-holder, as well as the declarant or the holder of the goods, to submit an application for action in accordance with Article 6 of this Law.

(3) The customs authorities may, without divulging any data other than the actual or supposed number of items and their nature and before informing the right-holder of the possible infringement, ask the right-holder to provide them with any data they may need to confirm their suspicions.

(4) Where within three working days after the notification the right holder does not submit an application for action in accordance with Article 6 of this Law, the release of the goods shall be allowed or the period of detention stopped, provided all customs formalities are completed.

Part 2

The lodging and processing of applications for customs

action

Article 6

(1) A right-holder may apply in writing to the Central Administration of the Customs Administration for action by the customs authorities when goods are found in one of the situations referred to in Article 1 paragraph (1) of this Law.

(2) The application for action shall be made out on a form, the form and contents of which shall be prescribed by the Minister of Finance. The application must contain all the information needed to enable the goods in question to be readily recognised by the customs authorities, and in particular:

- 1) an accurate and detailed technical description of the goods;
- 2) any specific information the right-holder may have concerning the type of fraud;
- 3) the name, surname and address and phone number of the contact person appointed by the right-holder.

(3) The application for action must be submitted together with a declaration required of the applicant by Article 7 of this Law and proof that the applicant holds the right for the goods in question.

(4) Right-holders should also forward any other data they may have in regard to:

- 1) the customs value of the original goods in the Republic of Macedonia;
- 2) the location of the goods or their intended destination;
- 3) particulars identifying the consignment;
- 4) the scheduled arrival or departure date of the goods;
- 5) particulars on the means of transport used;
- 6) particulars on the identity of the importer, exporter or holder of the goods;
- 7) the country or countries of production and the routes used for conveying;
- 8) the technical differences, if known, between the original and goods suspected to infringe an intellectual property right.

(5) In addition to the data referred to in paragraphs 2, 3 and 4 of this Article, details may also be required which are specific to the type of intellectual property right.

(6) On receiving an application for action, the Central Administration of the Customs Administration shall process that application and notify the applicant in writing of its decision within 30 working days of its receipt.

(7) The customs authority shall charge a fee to cover the costs occasioned by the processing of the application the amount of which shall be prescribed by the Minister of Finance and which may not exceed the amount of the actual costs.

(8) Where the application does not contain the mandatory data listed in this Article or they are not exhaustive, the Central Administration of the Customs Administration may decide to reject the application for action and in that event it shall provide reasons for its decision. A special appeal against the decision may be declared to the Minister of Finance in an eight day period from the date of forwarding of the decision.

Article 7

With the declaration referred to in Article 6 paragraph (3), the right-holder shall take upon himself the liability towards the persons involved in one of the situations referred to in Article 1 paragraph (1) of this Law where the procedure initiated in accordance with Article 10 paragraph (1) is discontinued owing to an act or omission by the right-holder or in the event that the goods in question are subsequently found not to be goods infringing an intellectual property right. With the declaration, the right-holder also agrees to bear all costs incurred for the keeping of the goods under customs supervision in accordance with this Law.

Article 8

Articles 6 and 7 shall apply *mutatis mutandis* to requests for an Extension of the period referred to in Article 9 of this Law.

Part 3

Acceptance of the application for action

Article 9

- (1) When granting an application for action referred to in Article 6 of this Law, the Central Administration of the Customs Administration shall specify the period during which action is to be taken which in turn may not exceed one year from the date of acceptance of the application. Before expiry of the period in question, and subject to the prior discharge of any debt owed by the right-holder under this Law, the right-holder may request the period to be extended.
- (2) The specified period may be extended on request by the right-holder provided any debts that are likely to occur in accordance with Article 16 of this Law are settled.
- (3) The right-holder shall immediately notify the Central Administration of the Customs Administration of the expiration of the validity of his right.
- (4) The decision for granting an application and the decision for extension of the period shall immediately be sent to the customs authorities competent for taking action.
- (5) At the request of the customs authorities, the right-holder shall provide any additional data necessary for the implementation of the decision granting the application.

CHAPTER 3

ACTING ON AN APPLICATION FOR ACTION BY THE CUSTOMS AUTHORITIES

Article 10

(1) Where a customs authority, to which the decision granting an application has been forwarded pursuant to Article 9 paragraph (4) of this Law, is satisfied that goods in one of the situations referred to in Article 1 paragraph (1) of this Law are suspected of infringing an intellectual property right covered by that decision, it shall suspend release of the goods or detain them under customs supervision. The customs authority shall immediately inform the Central Administration of the Customs Administration.

(2) The customs authority shall immediately inform the right-holder and the declarant or holder of the goods of its action and is authorised to inform them of the actual or estimated quantity and the actual or supposed nature of the goods whose release has been suspended or which have been detained and of the option for a simplified procedure for destruction of the goods to be conducted pursuant to Article 11 of this Law.

(3) With a view to establishing whether an intellectual property right has been infringed under law, and in accordance with the provisions on protection of personal data, commercial secrecy and confidentiality, the customs authority may inform the right-holder, at his request, of the names and addresses of the consignee, the consignor, the declarant or the holder of the goods and the origin of the goods suspected of infringing an intellectual property right in accordance with law, if known.

(4) On request by the right-holder and the persons involved in any of the situations referred to in Article 1 paragraph (1) of this Law, the customs authority shall give them the opportunity to inspect goods whose release has

been suspended or which have been detained, as well as to take samples in accordance with the rules in force and strictly for the purposes of analysis and to facilitate the subsequent procedure. The samples must be returned on completion of the technical analysis and, where applicable, before goods are released or their detention is ended.

Article 11

(1) Where the customs authority detained or suspended the release of goods which are suspected of infringing an intellectual property right in one of the situations covered by Article 1 paragraph (1) of this Law, abandoned for destruction, the customs authority may provide for a simplified procedure, to be used with the right-holder's agreement, which enables customs authorities to have such goods destroyed under customs supervision, without there being any need to determine whether an intellectual property right has been infringed under law and provided:

— that the right-holder informs the customs authority in writing within 10 working days, or 3 working days in the case of perishable goods, of receipt of the notification provided for in Article 10 of this Law, that the goods concerned by the procedure infringe an intellectual property right referred to in Article 3 item (2) of this Law and provides that authority with the written agreement of the declarant, the holder or the owner of the goods to abandon the goods for destruction, and

- that destruction be carried out at the expense and under the responsibility of the right-holder in accordance with customs rules for destruction of goods under customs supervision, and be preceded by the taking of samples for keeping by the customs authority in accordance with customs rules and in such conditions that they constitute admissible evidence.

(2) With reference to the first indent paragraph (1) of this Article, the declarant, the holder or the owner of the goods may directly provide the agreement for abandonment for destruction of the goods to the customs authority. It shall be presumed that the declarant, the holder or the owner of the goods has provided agreement for destruction if he has not specifically opposed destruction, of which he has been informed earlier, within the prescribed period. This period may be extended by a further 10 working days if the circumstances so warrant.

(3) The customs authorities shall not be liable for the damages that may arise from the destruction of the goods in accordance with this Article.

(4) In all other cases, where the conditions of paragraph (2) of this Article are not complied with, the procedure laid down in Article 13 of this Law shall apply.

Article 12

(1) A right-holder shall use the particulars received cited in Article 10 paragraph (3) of this Law for the procedure of determining whether an intellectual property right has been infringed, as well as for the purposes specified in Articles 11 and 13 paragraph (1) of this Law.

(2) Where the data is used contrary to paragraph (1) of this Article, the Central Administration of the Customs Administration shall revoke the decision to accept the application for action for the remaining period.

(3) In the event of a further or more severe breach of the provisions of paragraph (1) of this Article, the customs authority may refuse to extend the period referred to in Article 9 of this Law.

Article 13

(1) If, within 10 working days of receipt of the notification of suspension of release or of detention, the customs authority has not been notified by the right-holder that proceedings have been initiated to determine whether an intellectual property right has been infringed or has not received the right-holder's agreement provided for in Article 11 paragraph (1) of this Law, the customs authority shall release the goods provided all customs formalities are completed. This period may be extended by a maximum of 10 working days if the circumstances so warrant.

(2) In the case of perishable goods suspected of infringing an intellectual property right, the period referred to in paragraph (1) of this Article shall be 3 working days and it may not be extended.

Article 14

(1) The right-holder shall notify the customs authority that a procedure for establishing infringement of an intellectual property right is initiated with the submitting of appropriate evidence by a competent court or other competent authority that the procedure is initiated.

(2) With the initiation of a procedure referred to in paragraph (1) of this Article the period of sustained release of the goods or detention is extended until the court or the competent authority does not give its decision concerning the goods.

Article 15

(1) In the case of goods suspected of infringing design rights or patents, the declarant, owner, holder, importer, or consignee of the goods may be able to obtain the release of the goods on provision of a security, provided that:

a) the customs authority has been notified, in accordance with Article 13 paragraph (1) of this Law, that a procedure has been initiated to establish whether an intellectual property right has been infringed under law;

b) the authority empowered for this purpose has not authorised measures for seizure of the goods before the expiry of the period laid down in Article 13 paragraph (1) of this Law and

(c) all customs formalities have been completed.

(2) The security provided for in paragraph (1) of this Article must be sufficient to protect the interests of the right-holder. Payment of the security shall not affect the other legal remedies available to the right-holder.

(3) Where the period referred to in paragraph (1) of Article 13 of this Law is extended, this period may be extended to a maximum of 30 working days.

(4) The type, procedure and manner of provision of a guarantee, collection and release shall be prescribed by the Minister of Finance.

Article 16

(1) Storage of the goods during the period of suspension of release or detention shall be carried out in a manner which is in accordance with the provisions of the customs rules governing the temporary storage of goods.

(2) The costs for storage and maintenance of the goods shall be borne by the person submitting the application for action.

CHAPTER 4

Detailed Provisions

Article 17

Detailed provisions for the implementing of this Law shall be brought by the Minister of Finance.

CHAPTER 5

GOODS FOUND TO INFRINGE AN INTELLECTUAL PROPERTY RIGHT

Article 18

Goods found to infringe an intellectual property right at the end of the procedure provided for in Article 10 of this Law shall not be:

- allowed to enter into the customs area of the Republic of Macedonia,
- released for free circulation,
- removed from the customs area of the Republic of Macedonia,
- exported,
- re-exported,
- placed under a suspensive procedure or
- placed in a free zone or free warehouse.

CHAPTER 6

LIABILITY OF THE CUSTOMS AUTHORITIES AND THE RIGHT-HOLDER

Article 19

(1) The acceptance of an application shall not entitle the right-holder to compensation in the event that goods infringing an intellectual property right are not detected by a customs authority and are released or no action is taken to detain them in accordance with Article 10 paragraph (1) of this Law.

(2) The carrying out of the powers and actions taken by the customs authority in accordance with this Law shall not render it liable for compensation towards the persons involved in the situations referred to in Article 1 paragraph (1) of this Law or the persons referred to in Article 5 of this Law.

CHAPTER 7

Punitive provisions

Article 20

- (1) An amount of 60.000 denars shall be fined against the legal person for an offence if it acts contrary to Article 9 paragraph (3) of this Law i.e. does not immediately notify the Customs Administration about the expiry of his right.
- (2) An amount of 6.000 denars shall be fined against the responsible person in a legal person for the actions referred to in paragraph (1) of this Article.
- (3) An amount of 15.000 denars shall as well be fined against a natural person for the actions referred to in paragraph (1) of this Article.

Article 21

- (1) An amount of 120.000 denars shall be fined against a legal person acting contrary to Article 12 paragraph (1) of this Law, i.e. uses the information received by the customs authority in the meaning of Article 11 and Article 13 paragraph (1) of this Law outside the procedure and the purposes of establishing an infringement to the intellectual property right.
- (2) An amount of 15.000 denars shall be fined against the responsible person in a legal person for the actions referred to in paragraph (1) of this Article.
- (3) An amount of 30.000 denars shall as well be fined against a natural person for the actions referred to in paragraph 1 of this Article.

Article 22

(1) An amount of 120.000 to 300.000 denars shall be fined for an offence against a legal person acting contrary to Article 18 of this Law i.e. for introducing, releasing for free circulation, exiting, exporting, putting under a suspension procedure or entering into a free zone or free warehouse goods for which, in a previously completed procedure in accordance with Article 10 of this Law, it has been established that it infringes an intellectual property right.

(2) An amount of 25.000 to 50.000 denars shall be fined against the responsible person in a legal person for the actions referred to in paragraph (1) of this Article.

(3) An amount of 25.000 to 50.000 denars shall as well be fined against a natural person for the actions referred to in paragraph (1) of this Article.

CHAPTER 8

FINAL PROVISIONS

Article 23

When this Law enters into force, Article 215 of the Law on Industrial Property ('Official Journal of the Republic of Macedonia' no. 47/2002, 42/2003 and 9/2004) and Article 165 of the Law on Copyright and Other Related Rights ('Official Journal of the Republic of Macedonia' no. 47/96, 3/98 and 98/2002) shall be repealed.

Article 25

This Law enters into force on the eighth day of its issuing in the 'Official Journal of the Republic of Macedonia'.