

CHAPTER 414

INTELLECTUAL PROPERTY RIGHTS (CROSS-BORDER MEASURES) ACT

To establish measures relating to the importation into Malta, and the exportation and re-exportation from Malta, of goods in contravention of Intellectual Property rights.

29th February, 2000

ACT VIII of 2000.

1. The title of this Act is Intellectual Property Rights (Cross-Border Measures) Act. Title.

2. (1) In this Act, unless the context otherwise requires - Interpretation.
"goods infringing an intellectual property right" means:

(a) counterfeit goods, namely:

(i) goods, including the packaging thereof, bearing without authorisation a trademark which is identical to the trademark validly registered in respect of the same type of goods, or which cannot be distinguished in its essential aspects from such trademark, and which thereby infringes the rights of the holder of the trademark in question under Maltese law;

(ii) any trademark symbol (logo, label, sticker, brochure, instructions for use or guarantee document) whether presented separately or not, in the same circumstances as the goods referred to in sub-paragraph (i);

(iii) packaging materials bearing the trademarks of counterfeit goods, presented separately in the same circumstances as the goods referred to in sub-paragraph (i);

(b) pirated goods, namely: goods which are or embody copies made without the consent of the holder of the copyright or neighbouring rights, or of the holder of a design right, whether registered under national legislation or not, or of a person duly authorised by the holder in the country of production, where the making of those copies, if it had taken place in Malta, would have infringed the right in question under Maltese law;

(c) goods infringing a patent under Maltese law;

"declarant" means the importer, the consignee, the exporter or the owner of the goods or any other person involved in the operations mentioned in article 4;

"holder of a right" means the holder of a trademark, a patent or an intellectual property right or any other person authorised to use that trademark, patent or right, or a representative thereof. The

holder of a right or any other person authorised to use the right may be represented by a natural or legal person. Such a person shall include a collecting society, which has as its sole or principal purpose the management, or administration of copyright or neighbouring rights;

"intellectual property right" means any right referred to in the definition of goods infringing an intellectual property right.

(2) Materials and implements the predominant use of which has been for the manufacture of a counterfeit trademark or of goods bearing such a trademark, for the manufacture of goods infringing a patent or for the manufacture of pirated goods shall be treated as goods infringing an intellectual property right, provided that the use of such materials and implements infringes the rights of the holder of the right in question under Maltese law.

Applicability of the Act.

3. (1) This Act shall not apply to goods which bear a trademark with the consent of the holder of that trademark or which are protected by a patent, by a copyright or neighbouring right or by a design right and which have been manufactured with the consent of the holder of the right, notwithstanding that they may have been placed in one of the situations referred to in article 4 without the consent of the holder of the right, trademark or patent.

(2) This Act shall not apply to goods referred to in sub-article (1) when the goods have been manufactured or bear a trademark under conditions other than those agreed with the holder of the rights in question.

(3) This Act shall not apply to goods of a non-commercial nature contained in travellers' personal luggage within the limits laid down in respect of relief from customs duty.

Prohibition of goods infringing certain intellectual property rights.

4. The entry into Malta, export or re-export, release for free circulation, temporary importation, placing in a free zone or free warehouse of goods found to be goods infringing an intellectual property right shall be prohibited.

Application for action by customs authorities.

5. (1) The holder of a right may lodge an application in writing with the Comptroller of Customs for action by the Customs authorities where goods alleged to infringe intellectual property rights are placed in one of the situations referred to in article 4.

(2) The application referred to in sub-article (1) shall include:

- (i) a sufficiently detailed description of the goods to enable the Customs authorities to recognise them; and
- (ii) proof that the applicant is the holder of the right for the goods in question and that *prima facie* the goods infringe that right.

(3) The proof required for the purpose of sub-article (2) may be as follows:

(a) Where the holder of the right applies himself:

- (i) in the case of a right that is registered or for which an application has been lodged such as a

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- trademark, patent or design right: proof of registration or lodging of the application with the relevant office;
- (ii) in the case of a copyright, neighbouring right or design right that is unregistered or for which an application has not been lodged: any proof of authorship or the person's status as original holder.
- (b) Where the application is made by any other person authorised to use an intellectual property right, in addition to the proof required under paragraph (a) of this sub-article: the document by virtue of which the person is authorised to use the right in question shall also be produced or sufficiently quoted.
- (c) Where the application is made by a representative of the holder of a right or of any other person authorised to use an intellectual property right, in addition to the proof required under paragraphs (a) and (b) of this sub-article, proof of authorisation to act shall also be produced.
- (4) The holder of the right shall also provide all other pertinent information available to him to enable the Comptroller of Customs to take a decision in full knowledge of the facts without, however, that information being a condition of admissibility of the application.
- (5) In the case of pirated goods or of goods infringing patents, the said information shall, wherever possible, include by way of indication:
- (i) the place where the goods are situated or the intended destination;
- (ii) particulars identifying the consignment or packages;
- (iii) the scheduled date of arrival or departure of the goods;
- (iv) the means of transport used;
- (v) the identity of the importer, exporter or holder.
- (6) The application shall specify the length of the period during which the Comptroller of Customs is requested to take action.
- (7) (i) The applicant shall be responsible to cover the administrative costs incurred in dealing with the application.
- (ii) The applicant or his representative shall also be responsible to cover the administrative costs incurred in implementing the decision of the Comptroller of Customs referred to in this article.
- (iii) Such costs shall be determined by the Comptroller of Customs and shall not be disproportionate to the service provided.

(8) The Comptroller of Customs shall deal with the application and shall forthwith notify the applicant in writing, of his decision.

(9) Where the Comptroller of Customs grants the application, he shall specify the period during which the Customs authorities shall withhold the release of or detain the goods pending the initiation of civil judicial proceedings. That period may, upon application by the holder of the right, be extended by the Comptroller of Customs.

(10) Any refusal to grant an application shall give the reasons for refusal and shall be subject to appeal to the Minister responsible for Customs within three working days from notice to the applicant of the refusal.

(11) The appeal referred to in sub-article (10) shall:

- (i) be in writing and shall contain a brief statement of the facts and state the reasons for the appeal;
- (ii) be notified to the Comptroller of Customs who shall reply within three working days from receipt of the appeal.

(12) The Comptroller of Customs may require the holder of a right, where his application has been granted, to provide a security:

- (i) to cover any possible liability on the part of the Comptroller of Customs vis-à-vis the persons involved on one of the operations referred to in article 4 where the procedure initiated pursuant to article 5 is discontinued owing to an act or omission by the holder of the right or where the goods in question are subsequently found not to be goods infringing an intellectual property right;
- (ii) to ensure payment of the costs incurred in accordance with this Act, in keeping the goods under Customs control pursuant to article 5.

(13) The holder of the right shall inform the Comptroller of Customs forthwith if his right is no longer validly registered or if it expires.

(14) Sub-articles (1) to (13) shall apply *mutatis mutandis* to the extension of the decision on the original application.

Ex officio action.

6. Where, in the course of checks made under one of the Customs procedures referred to in article 4 and before an application by the holder of the right has been lodged or approved, it appears *prima facie* evident to the Comptroller of Customs that goods are goods infringing an intellectual property right, the Comptroller of Customs may notify the holder of the right, where known, of a possible infringement thereof.

The Comptroller of Customs may suspend release of the goods or detain them for a period of five working days to enable the holder of the right to lodge an application for action in accordance with article 5.

7. (1) Without prejudice to the provisions of article 6, where the Comptroller of Customs is satisfied, after consulting the applicant where necessary, that goods placed in one of the situations referred to in article 4 correspond to the description of goods infringing an intellectual property right, he shall suspend release of the goods or detain them and the Comptroller of Customs shall forthwith inform the declarant and the person who applied for action to be taken, if any.

Conditions governing action by the Comptroller of Customs.

(2) Subject to any law on the protection of personal data, commercial and industrial secrecy, and professional and administrative confidentiality, the Comptroller of Customs shall notify the holder of the right, at his request, of the name and address of the declarant and, or the consignee so as to assist the holder of the right to be put in position to initiate judicial proceedings to safeguard his interests.

(3) Without prejudice to the operation of any law regarding the protection of confidential information, the Comptroller of Customs shall afford the applicant and the persons involved in any of the operations referred to in article 4 the opportunity to inspect the goods, the release of which has been suspended or which have been detained. When examining the goods the Comptroller of Customs may take samples in order to expedite the procedure related to the said goods.

(4) If, within a period of ten working days after the applicant has been served with notice of the suspension of release of goods or of detention thereof further to a decision of the Comptroller of Customs taken in terms of article 5(9), the Comptroller of Customs has not been given proof that civil judicial proceedings leading to a substantive decision on the merits of the case have been initiated or if the Comptroller of Customs has not taken provisions or measures prolonging the suspension of the release of the goods, the goods shall be released, provided all other conditions for importation or exportation have been complied with. The said time limit may be extended by another ten working days by the Comptroller of Customs:

Provided that, if civil judicial proceedings have been initiated in connection with goods, the release of which has been detained by the Comptroller of Customs under this Act, the Court may, at the request of any party, review the decision of the Comptroller of Customs with a view to determining whether the goods should be released either absolutely or under such conditions as the Court may impose.

(5) In the case of goods suspected of infringing patents or design rights, the owner, the importer or the consignee of the goods shall be able to have the goods in question released or their detention revoked against provision of a security provided that:

- (a) the Comptroller of Customs has been informed within the time limit referred to in sub-article (4) that civil judicial proceedings have been initiated, leading to a substantive decision on the merits of the case,
- (b) on expiry of the time limit, the Court has not imposed

interim measures, and

(c) all the Customs formalities have been completed.

The security must be sufficient to protect the interests of the holder of the right and shall be either in the form of a deposit made in the hands of the Comptroller of Customs of such amount as may be fixed by the Comptroller of Customs or in the form of a guarantee by a bank acceptable to the Comptroller of Customs, of such amount as may be fixed by the Comptroller of Customs. Provision of the security shall be without prejudice to the other remedies open to the holder of the right.

(6) Where the matter has been referred to the Comptroller of Customs other than on the initiative of the holder of the right, the security paid by the importer, the consignee, the exporter or the owner of the goods shall be released if the person applying for suspension of release of the goods or detention thereof does not exercise his right to institute legal proceedings within twenty working days from the date on which he is notified of the suspension of release or detention:

Provided that such period may be extended to a maximum of thirty days at the discretion of the Comptroller of Customs.

(7) The conditions governing storage of the goods during the period of suspension of release or detention shall be as determined by the Comptroller of Customs.

Provisions
applicable to goods
found to be goods
infringing an
intellectual
property right:

8. (1) In proceedings related to the enforcement of the rights of the holder of a right the Court shall:

- (a) as a general rule, order the Comptroller of Customs to dispose of goods established to be goods infringing an intellectual property right outside the channels of commerce in such a way as to preclude injury to the holder of the right or order the Comptroller of Customs to destroy such goods, in any case without compensation of any sort to and, at the cost of, the importer, exporter or owner of the goods;
- (b) take, or order the Comptroller of Customs to take in respect of such goods, any other measures having the effect of effectively depriving the persons concerned of the economic benefits of the transaction.

Save in exceptional cases, simply removing the trademarks, which have been affixed to the counterfeit goods without authorisation, shall not be regarded as having such effect:

Provided that in ordering measures to be taken under this article the Court shall take due account of the need for proportionality between the seriousness of the infringement and the remedies ordered as well as of the interests of third parties.

(2) In addition to the information given pursuant to article 7(2) and under the conditions laid down therein, the Comptroller of Customs shall inform the holder of the right, upon request, of the names and addresses of the consignor, of the importer or exporter

and of the manufacturer of the goods established to be goods infringing an intellectual property right and of the quantity of the goods in question.

9. (1) The holder of a right shall not be entitled to compensation where goods are not detected by the Customs authorities and are released or where no action is taken to detain them or to withhold release thereof.

Exemptions from liability.

(2) Exercise by the Comptroller of Customs of the powers conferred upon him with regards to counterfeit or pirated goods shall not render him liable towards the persons involved in the operations referred to in article 4, in the event of their suffering loss or damage as a result of their action.

10. In proceedings related to the provisions of this Act the Court shall be entitled to order the party at whose request measures were taken under this Act and who is found to have abused enforcement procedures to provide to a party wrongfully enjoined or restrained adequate compensation for the injury suffered due to such abuse. Such compensation may also include compensation for legal and judicial costs and fees incurred.

Abuse of procedures.

11. (1) If any person shall import or cause to be imported any goods infringing an intellectual property right, such person shall be liable for every such offence to a fine (*multa*) equivalent to double the value of such goods.

Offences and penalties.

(2) All proceedings under this article shall be taken before the Court of Magistrates and shall be in accordance with the provisions of the Criminal Code regulating the procedure before the said Court or a Court of Criminal Judicature and the award and execution of the punishments thereby imposed.

Cap. 9.

(3) Notwithstanding the provisions of the Criminal Code, the Attorney General shall always have a right of appeal to the Court of Criminal Appeal from any judgement given by the Court of Magistrates in respect of criminal proceedings ensuing out of this Act.

Cap. 9.
