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Subject: ACTA (Anti-Counterfeiting Trade Agreement) negotiations. Provisions concerning border measures

Delegations will find attached the declassified version of the above document.

The text of this document is identical to the previous version.

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THE EUROPEAN UNION**

Brussels, 14 January 2010

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UD 12

NOTE

from: General Secretariat
to: Customs Union (Legislation and Policy) Working Party
on: 20 January 2010

Subject: ACTA (Anti-Counterfeiting Trade Agreement) negotiations. Provisions concerning border measures

Delegations will find attached the above document, forwarded by the Commission services.

BACKGROUND NOTE

**Subject: ACTA (Anti-Counterfeiting Trade Agreement) negotiations
Provisions concerning border measures**

The next round of negotiations in the framework of ACTA (Anti-Counterfeiting Trade Agreement) is scheduled to take place in Mexico from 26-29 January 2010. Border measures and the role of customs in IPR enforcement are expected to be included on the agenda.

Substantive discussions on border measures last took place at the round of negotiations in Washington in July 2008. The EU's position had been coordinated in the relevant Council groups prior to the round, including the Customs Union group on 9 July 2008. The agreed Community position was to seek to align draft ACTA provisions on border measures proposed by the United States and Japan, to the provisions contained in EU legislation.

At the round in Washington, the EU counter-proposal was tabled alongside various proposals from several other ACTA partners. These different positions were incorporated into a consolidated document produced by the United States and Japan and subsequently circulated by the Commission to Member States, through the former 133 Committee. This consolidated document covering the different chapters of the future ACTA retained the initial text put forward by the United States and Japan and included in track changes, the various comments from other ACTA partners.

An unofficial version of the EU's submission on border measures is attached. In this version, the track changes highlighting the differences between the EU's text and the initial proposal have been removed.

The Commission considers that the EU should maintain the position expressed previously, namely to seek to align ACTA provisions on border measures to the provisions contained in EU legislation (essentially, Regulation 1383/2003).

Draft Anti-Counterfeiting Trade Agreement

Extract - Provisions concerning Border Measures

EU counter-proposal, based upon initial text proposed by the United States and Japan

(July 2008)

CHAPTER TWO

LEGAL FRAMEWORK FOR ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS

Section 1: Civil Enforcement

[...]

Section 2: Border Measures¹[²]

[Opening Article]

ARTICLE 2.6: SCOPE OF THE BORDER MEASURES

1. This section sets out the conditions for action by the competent authorities when goods are suspected of infringing intellectual property rights, within the meaning of this agreement, when they are imported, exported or in-transit.

¹ Where a Party has dismantled substantially all controls over movement of goods across its border with another Party with which it forms part of a customs union, it shall not be required to apply the provisions of this Section at that border.

² [*Option J*: Each Party shall implement the obligations in respect of importation and exportation set out in this Section so as to be applied to shipments of goods consigned to [a local party/a party in the territory] but destined for outside the territory of the Party.]

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2. For the purposes of this section, 'goods infringing an intellectual property right' means goods infringing any of the intellectual property rights covered by TRIPS¹, with the exception of the protection of undisclosed information and layout- designs (topographies) of integrated circuits.
3. Where a traveller's personal baggage contains goods of a non-commercial nature within the limits of the duty-free allowance and there are no material indications to suggest the goods are part of commercial traffic, each Party may consider to leave such goods, or part of such goods outside the scope of this section.

ARTICLE 2.7: APPLICATION BY RIGHT HOLDER

1. Each Party shall provide procedures by which right holders may request the competent authorities to suspend the release² of goods suspected of infringing an intellectual property right, into free circulation.

2. The competent authorities shall require a right holder requesting the procedures described in paragraph 1 to provide adequate evidence to satisfy themselves that, under the laws of that country³, there is *prima facie* an infringement of the right holder's intellectual property right and to supply sufficient information that may reasonably be expected to be within the right holder's knowledge to make the suspected infringing goods reasonably recognizable by the customs authorities. The requirement to provide sufficient information shall not unreasonably deter recourse to the procedures described in paragraph 1.

3. Each Party shall permit right holders to supply the competent authorities information to assist them in taking border measures provided for under this Section. Each Party may authorize the competent authorities to request right holders to supply any such information.

¹ The provisions of this section shall also apply to confusingly similar trademark goods, which means any goods, including packaging, bearing without authorization a sign that is similar to the trademark validly registered in respect of such or similar goods where it exists a likelihood of confusion on the part of the public between the sign and the trademark.

² For purposes of this Section, where the competent authorities suspend the release of suspected counterfeit [*Option J*: or confusingly similar] trademark or pirated copyright goods, the authorities shall not permit the goods to be released into free circulation, exported, or subject to other customs procedures, except in exceptional circumstances.

³ [Definition of "country"]

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4. The right-holder shall not be charged a fee to cover the administration costs occasioned by the processing of the application.

5. The competent authorities shall inform the applicant within a reasonable period whether they have accepted the application. Where the competent authorities have accepted the application, they shall also inform the applicant of the period of validity of the application.

6. Each Party may also provide procedures by which right holders may request the competent authorities to suspend release of goods suspected of infringing other intellectual property rights.

ARTICLE 2.8: EX-OFFICIO ACTION

1. Each Party shall provide that its customs authorities may act upon their own initiative, to suspend the release of goods suspected of infringing an intellectual property right.

2. Each Party may also provide that its customs authorities may act, upon their own initiative, to suspend the release of goods suspected of infringing other intellectual property rights, not covered by this section.

ARTICLE 2.9: SECURITY OR EQUIVALENT ASSURANCE

Each Party shall provide that its competent authorities shall have the authority to require a right holder requesting procedures described under Article 2.7 to provide a reasonable security or equivalent assurance sufficient to protect the defendant and the competent authorities and to prevent abuse. Each Party shall provide that such security or equivalent assurance shall not unreasonably deter recourse to these procedures. Each Party may provide that such security may be in the form of a bond conditioned to hold the defendant harmless from any loss or damage resulting from any suspension of the release of the goods in the event the competent authorities determine that the good does not infringe intellectual property rights covered by this section. No Party may permit a defendant to post a bond or other security to obtain possession of suspected counterfeit or confusingly similar trademark goods or suspected pirated copyright goods.

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ARTICLE 2.10: DISCLOSURE OF INFORMATION

With a view to establishing whether an intellectual property right has been infringed under national law and in accordance with national provisions on the protection of personal data, commercial and industrial secrecy and professional and administrative confidentiality, the competent authorities have detained infringing goods, shall inform the right holder of the names and addresses of the consignor, importer, exporter, or consignee, and provide to the right holder a description of the goods, the quantity of the goods, and, if known, the country of origin and name and addresses of producers of the goods.

ARTICLE 2.11: DETERMINATION AS TO INFRINGEMENT

Each Party shall provide a procedure by which competent authorities will determine, within a reasonable period of time after the initiation of the procedures described under Article 2.7 or 2.8, whether the suspected infringing goods infringe an intellectual property right.

ARTICLE 2.12: REMEDIES

1. Each Party shall authorize its competent authorities to impose penalties in connection with the importation and exportation of goods following a determination under Article 2.11 that the goods are infringing.¹
2. Each Party shall provide that goods that have been forfeited as infringing following a determination under Article 2.11 shall be destroyed, except in exceptional circumstances.
3. No Party may authorize the competent authorities to permit forfeited infringing goods to be released into free circulation, exported, or subject to other customs procedures, except in exceptional circumstances. In regard to counterfeit trademark goods, the simple removal of the trademark unlawfully affixed shall not be sufficient, other than in exceptional cases, to permit the release of the goods into the channels of commerce.

¹ Negotiator's Note: Subject to negotiation of general provision on deterrent penalties.

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ARTICLE 2.13: FEES

1. Each Party shall provide that any merchandise storage fee, or destruction fee to be assessed in connection with procedures described in this Section shall not be allocated in a manner or set at an amount that unreasonably burdens right holders or unreasonably deters recourse to these procedures.

ARTICLE 2.14: LIABILITY OF THE COMPETENT AUTHORITIES

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 office and are released or no action is taken to detain them.

2. The competent authorities shall not be liable towards the persons involved in the situations referred to in Article 2.6 for damages suffered by them as a result of the authority's intervention, except where provided for by the law of the Party in which the application is made or in which the loss or damage is incurred.

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