

Draft

Republic of Lithuania
Law on the Protection of Intellectual Property in the Field of Import and Export of Goods

Vilnius

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Chapter I

General provisions

Article 1. Objective of the Law

The Law on the Protection of Intellectual Property in the Field of Import and Export of Goods shall regulate customs activities relating to the protection of intellectual property in the field of import and export of goods and the conditions thereof.

Article 2. Concepts and Definitions

As used in this Law:

1. **Subject of intellectual property rights** means the owner of a registered trademark and (or) service mark, subject of copyright or related rights, owner of a registered industrial design, their successor in title, any other person having the right to use a trademark or service mark, copyright work or object or related rights and industrial design, as well as any other natural or legal person, or a legal entity possessing no right of a legal person, which represent the aforementioned persons, including collective administration organisations representing subjects of copyright and related rights, which act in the Republic of Lithuania in accordance with the procedure prescribed by the Law on Copyright and Related Rights of the Republic of Lithuania.

2. **Goods bearing without authorization a trademark or service mark (counterfeit goods)** means:

- 1) any goods, including the packaging thereof, bearing without authorization a trademark and (or) service mark, which is identical to the trademark and (or) service mark validly registered in respect of such goods in the procedure prescribed by the Law on Trademarks and Service Marks, or which is confusingly similar to such a trademark and (or) service mark, and which thereby infringe the rights of the owner of the registered trademark and (or) service mark in question under the Law on Trademarks and Service Marks;
- 2) any symbol (logo, label, sticker, brochure, user's manual, guarantee certificate, etc.) of a trademark and (or) service mark, which accompanies goods or is submitted separately and bears the features laid down in point 1 above;

3) packaging material submitted from goods separately and having the features laid down in point 1 above, and thereby considered as bearing without authorization a trademark and (or) service mark;

4) any goods, including the packaging thereof, bearing marks which are identical to the trademarks and (or) service marks registered in the procedure prescribed by the Law on Trademarks and Service Marks, or which are confusingly similar to such trademarks and (or) service marks.

3. Infringing copies (pirated goods) means any goods which are copies of a work or object of related rights, or products registered as an industrial design (including copies and products constituting other goods), produced without the consent of the author, subject of related rights or owner of an industrial design, their successor in title or the person duly authorized by them, as well as goods which are copies of a work or object of related rights, or products registered as an industrial design, in relation to which the information on the management of rights of the owner, subject of related rights or owner of the industrial design has been removed or changed without the consent of the author, subject of related rights or owner of the industrial design.

4. Other concepts used in this Law are defined in Article 2 of the Customs Code of the Republic of Lithuania, Article 2 of the Law on Copyright and Related Rights of the Republic of Lithuania, Article 2 of the Law on Industrial Design of the Republic of Lithuania and Articles 1 – 3 of the Law on Trademarks and Service Marks of the Republic of Lithuania.

Article 3. Application of the Law to moulds and matrixes

Moulds or matrixes specifically made or adjusted to the manufacture of unauthorized trademarks and (or) service marks, goods bearing such marks or infringing copies (pirated goods) shall be accordingly treated as goods bearing without authorization a trademark and (or) service mark (counterfeit goods) or as infringing copies (pirated goods) provided that the use of such moulds and matrixes infringes the rights of a subject of intellectual property rights established by legislation.

Article 4. Non-application of the Law in certain cases

This Law shall not apply to:

1) goods bearing a trademark and (or) service mark with authorization of the owner thereof, as well as goods produced with authorization of the subject (owner) of the relevant rights, in relation to which remedies afforded to the subject of copyright, related rights and the owner of industrial design are available, where such goods are intended, without the consent of the subject of intellectual property rights related thereto, for free circulation, non-returnable export, re-export or the application of other import or export procedures;

2) goods, laid down in point 1 above, produced or marked with trademarks and (or) service marks in the violation of the terms stipulated by the licensing agreement concluded with the subject of the relevant rights.

Chapter II

Prohibition of free circulation, non-returnable export and re-export, as well as of the application of other import and export procedures in relation to goods bearing without authorization a trademark and (or) service mark (counterfeit goods) and infringing copies (pirated goods)

Article 5. Prohibition of free circulation, non-returnable export and re-export, as well as application of other import and export procedures in relation to goods bearing without authorization a trademark and (or) service mark (counterfeit goods) and infringing copies (pirated goods)

If, following the procedure established by Article 9 of this Law, goods are acknowledged as bearing without authorization a trademark and (or) service mark (counterfeit goods) or as infringing copies (pirated goods), they shall be prohibited from free circulation, non-returnable export and re-export, as well as application of other import and export procedures.

Chapter III

Submission of requests for the application of customs procedures

Article 6. Submission of requests for the application of customs procedures

1. The subject of intellectual property rights shall have the right to file a written request with the Customs Department under the Ministry of Finance for the application of customs procedures guaranteeing the protection of his rights, provided that he knows or has reasonable grounds to know that the goods bearing without authorization a trademark and (or) service mark (counterfeit goods) or infringing copies (pirated goods) are intended for free circulation, non-returnable export and re-export, or such goods are subjected to the application of other import or export procedures.

2. The following information shall be given in the request referred to in paragraph 1 of this Article, presented in the form established by the Customs Department of the Ministry of Finance, and the annexes thereof:

1) a detailed description of goods (including the code of a product according to the Combined Tariffs and External Trade Statistical Nomenclature, value, packaging features), samples of goods, photographs, drawings and other material, which would help the customs to identify the goods and reliably distinguish them from the goods the intellectual property rights related to which are protected;

2) proof that the applicant is the subject of intellectual property rights related to the said goods:

a) the owner of a registered trademark and (or) service mark or the owner of a registered industrial design must submit accordingly the certificate of registration of the trademark and (or) service mark or the certificate of registration of the industrial design,

b) the subject of copyright or the subject of related rights must submit accordingly any proof of the exclusive economic authors' rights or the exclusive related rights enjoyed by the said subjects,

c) in addition to the documents referred to in points a and b above, a person having the right to use a trademark and (or) service mark, work or object of related rights and industrial design shall submit a document (license) evidencing the right of the person to exercise the rights of the subject of intellectual property rights,

d) in addition to the documents referred to in points a, b and c above, a representative of any of the persons referred to in the said points shall submit a document of authorization and (or) other documents evidencing his authorization powers.

3) a statement of the grounds for the request stating the facts in the possession of the applicant of the infringement of his rights;

4) exact information on the applicant (i.e. title or full name, address of the head office, telephone and fax numbers).

3. If possible, the following shall be submitted together with the request:

1) all information related to the request and having a significant effect on the examination thereof, which is available to the subject of intellectual property rights and might be necessary to enable the customs, on the basis of the facts related to the specific situation and the proof available to the subject of intellectual property rights evidencing the infringement of his rights, to adopt a decision,

2) where the request is submitted for the application of customs procedures in relation to infringing copies (pirated goods), information on:

a) the place of the storage of goods or the expected place of carrying goods through the border of the Republic of Lithuania, and (or) the place of destination,

b) features facilitating the identification of the consignment of goods or the packaging thereof,

c) expected time (date) of the delivery or dispatch of goods,

d) means of transportation which are used or might be used for the carriage of goods,

e) the producer, importer, exporter or the person in the possession of goods.

4. The request should stipulate the duration (term) of the customs procedures requested for application.

5. Customs services related to the implementation of the request shall be charged in the procedure prescribed by legislation.

6. Upon receiving the request conforming to the requirements of paragraph 2 of this Article, the Customs Department under the Ministry of Finance shall examine the request in accordance with the procedure and terms provided for in the Customs Code of the Republic of Lithuania and shall inform the applicant in writing on the decision adopted. In case of a positive decision, the decision shall state the term (period) of the customs procedures to be applied, which may subsequently be extended upon receiving the request from the subject of

intellectual property rights. In case of a negative decision, the applicant shall be informed of the reasons for such a decision and of his right to appeal against the decision in the procedure prescribed by the Customs Code of the Republic of Lithuania.

7. In case of a positive decision adopted by the Customs Department under the Ministry of Finance, the application of the customs procedures listed in Article 9 of this Law shall start only upon the submission by the subject of intellectual property rights a guarantee ensuring that:

1) the claims filed with the customs by the interested persons with respect to which the customs procedures are applied will be satisfied if the application of the said procedures, started in accordance with the procedure established by Article 9 of this Law, is terminated due to the actions of the subject of intellectual property rights or his omission, or if it has been established that the customs procedures were applied to goods the recognition of which as goods bearing without authorization a trademark and(or) service mark (counterfeit goods) or infringing copies (pirated goods) was unfounded.

2) the expenses arising from the storage of goods suspended under the provisions of Article 9 of this Law in a place under customs control will be reimbursed.

8. The amount of the guarantee referred to in paragraph 7 of this Article shall be calculated in accordance with the procedure established by the Customs Department under the Ministry of Finance.

9. Upon filing the request referred to in paragraph 1 of this Article with the Customs Department under the Ministry of Finance, the subject of intellectual property rights shall immediately inform the said department of the extinction of his rights or the expiration of the term of protection thereof.

Article 7. Notification of the subject of intellectual property rights of the alleged infringement of his rights

1. If the customs inspection carried out in the execution of import and export customs procedures gives grounds for believing that the goods being transported bear without authorization a trademark and(or) service mark (counterfeit goods) or are infringing copies (pirated goods), and that the subject of intellectual property rights has not yet filed the request referred to in paragraph 1 of Article 6 of this Law, or that the Customs Department under the Ministry of Finance has not yet adopted the decision to satisfy such a request, the subject of intellectual property rights, if known, shall be immediately notified of the alleged infringement of his rights in accordance with the procedure established by the Customs Department under the Ministry of Finance.

2. In the case provided for in paragraph 1 of this Article, the term of the suspension of goods shall extend to up to five working days computed from the date of the notification of the subject of intellectual property rights, during which the said subject may file a request with the Customs Department under the Ministry of Finance for the application of customs procedures concerning the protection of his rights. In this case, the terms provided for in Article 11 of this Law shall be computed from the date on which the Customs Department

under the Ministry of Finance received the request of the subject of intellectual property rights. The declarant shall also be informed of the suspension of goods.

Article 8. Notification of customs offices of the adopted decision

Upon the adoption by the Customs Department under the Ministry of Finance the decision to satisfy the request filed by the subject of intellectual property rights for the application of customs procedures concerning the protection of his rights, and upon the submission by the said subject the guarantee provided for in paragraph 7 of Article 6 of this Law, all customs offices, to which goods listed in the said request, known or suspected as bearing without authorization a trademark and (or) service mark (counterfeit goods) or as infringing copies (pirated goods), may be entered shall be immediately informed thereof. The application of the customs procedures referred to in Article 9 of this Law shall start as of the day of notifying the customs offices of the decision adopted by the Customs Department under the Ministry of Finance.

Chapter IV

Customs procedures and court decisions

Article 9. Customs procedures to be applied in the implementation of the decisions adopted by the Customs Department under the Ministry of Finance

1. A customs office, which has been notified in accordance with Article 8 of this Law of the decision adopted by the Customs Department under the Ministry of Finance to satisfy the request of the subject of intellectual property rights concerning the application of customs procedures guaranteeing the protection of the rights of the said subject, shall, after consulting the applicant, if appropriate, and having established that the goods entered for the execution of import and export customs procedures conform to the description of goods bearing without authorization a trademark and (or) service mark (counterfeit goods) or of infringing copies (pirated goods) given in the decision, suspend such goods in accordance with the procedure established by the Customs Department under the Ministry of Finance.
2. The territorial customs, to which a customs office suspending the goods in the case referred to in paragraph 1 of this Article belongs, shall forthwith inform of the suspension the Customs Department under the Ministry of Finance which has adopted the decision on the application of customs procedures, the declarant and the applicant.
3. In accordance with the laws and other legal acts regulating the protection of personal data, state, commercial, industrial and professional secrets and at the request of the subject of intellectual property rights the territorial customs referred to in paragraph 2 above shall communicate to the said subject the name (full name) and address of the declarant, as well as the name (full name) and address (if such data is available) of the person receiving the goods. The subject of intellectual property rights may use such information when applying to court in accordance with the procedure prescribed by legislation. The court shall adopt the final decision following the Law on Copyright and Related Rights, the Law on Industrial Design or the Law on Trademarks and Service Marks.

4. Having regard to its customs supervision conditions, the customs office suspending the goods shall provide conditions to the applicant and other persons, which have the right to dispose of the goods, to inspect the suspended goods and take their samples. In accordance with the procedure established by the Customs Department under the Ministry of Finance, the customs office shall also have the right to take samples of the suspended goods provided that such samples are necessary for the regulation of relevant situation.

Article 10. Notification of the appeal to court and the court decision

The subject of intellectual property rights shall immediately notify the Customs Department under the Ministry of Finance of:

- 1) the appeal with the statement of action by the subject of intellectual property rights and the act of inspection (examination) of goods drawn up by the said subject to the court, which, as a first instance court; investigates civil actions concerning the protection of intellectual property rights in accordance with the procedure established by legislation;
- 2) the final court decision adopted in accordance with the Law on Copyright and Related Rights, the Law on Industrial Design or the Law on Trademarks and Service Marks;
- 3) in cases and following the procedure established by legislation, the court decision to apply provisional measures necessary for the execution of the final court decision.

Article 11. Suspension of goods

1. If, during 15 working days following that of the notification of the subject of intellectual property rights of the suspension of goods, the Customs Department under the Ministry of Finance has not been informed of the appeal by the said subject to court, the adoption of the final court decision or the decision to apply provisional measures in accordance with Article 10 of this Law, a customs procedure or any other action authorized by the customs, for the execution of which the goods have been suspended, shall be executed in accordance with the procedure prescribed by the Customs Code of the Republic of Lithuania or the legal acts regulating the application thereof.

2. In cases provided for by the Customs Department under the Ministry of Finance the term of the suspension of goods may be extended but shall not exceed 10 working days.

3. On suspicion that the suspended goods are products or the components thereof registered as an industrial design, at the request of the owner of the goods, the person receiving the goods or the importer, a customs procedure or any other action authorized by the customs, for the execution of which the goods have been entered, may be executed only if the following conditions are met:

- 1) the Customs Department under the Ministry of Finance has been informed within the period stipulated in paragraph 1 of this Law on the appeal by the owner of the industrial design, the successor in title or the representative thereof to court with a statement of action;

2) the court has not decided within the period defined for the suspension of goods on the application of provisional measures;

3) all the requirements laid down by legislation for the execution of a customs procedure or any other action authorized by the customs have been fulfilled;

4) a guarantee referred to in paragraph 4 of this Article has been submitted.

4. The amount of the guarantee referred to in point 4, paragraph 3 of this Article, calculated in accordance with the procedure established by the Customs Department under the Ministry of Finance, shall be sufficient to satisfy possible claims filed by the owner of an industrial design, the successor in title or the representative thereof. The submission of the guarantee shall not preclude the right of the subject of intellectual property rights to take other legislative measures related to the protection of the rights of the said subject. If the subject of intellectual property rights does not appeal to court during the period of 20 working days since his notification of the suspension of goods, the customs shall refuse the submitted guarantee. If the term of the suspension of goods is extended in the case provided for in paragraph 2 of this Article, the term prescribed for the appeal by the subject of intellectual property rights to court shall be extended over the same period of time, however shall not exceed 30 working days.

5. The procedure for the storage of the suspended goods shall be established by the Customs Department under the Ministry of Finance.

The expenses arising from the storage of the suspended goods shall be reimbursed by:

1) the subject of intellectual property rights if the court dismisses the action entered by the said subject,

2) the defendant if the court satisfies the action entered by the subject of intellectual property rights.

Chapter V

Actions with regard to goods recognized by the court as goods bearing without authorization a trademark and (or) service mark (counterfeit goods) or as infringing copies (pirated goods)

Article 12. Actions with regard to goods recognized by the court as goods bearing without authorization a trademark and (or) service mark (counterfeit goods) or as infringing copies (pirated goods)

1. In recognizing by the final decision the goods as goods bearing without authorization a trademark and (or) service mark (counterfeit goods) or as infringing copies (pirated goods), the court shall also adopt a decision on the confiscation of such goods specifically stating any of the following actions to which such goods should be subjected:

1) destruction of goods at the supervision by the customs;

2) use of goods without putting into circulation by ensuring the protection of the rights of the subject of intellectual property rights and without reimbursing by the State any of the expenses arising from such use;

3) other measures the application of which would prevent the persons interested in the illegal transportation of the suspended goods from gaining any economic advantage from the transactions concluded.

2. The following shall not be considered as measures in accordance with point 3, paragraph 1 of this Article:

1) re-export of goods bearing without authorization a trademark and(or) service mark (counterfeit goods) or of infringing copies (pirated goods) in an unchanged shape;

2) except for exceptional cases, simple elimination of trademarks and (or) service marks, with which goods have been marked;

3) execution of any other action authorized by the customs with regard to goods bearing without authorization a trademark and(or) service mark (counterfeit goods) or infringing copies (pirated goods) in an unchanged shape.

3. The owner of goods bearing without authorization a trademark and(or) service mark (counterfeit goods) or of infringing copies (pirated goods) may convey such goods without repayment to the State in the manner prescribed by laws and other legal acts. In this case, the provisions of paragraph 1 of this Article shall apply without compensating by the State any of the expenses arising from the conveyance of such goods to the State.

Article 13. Submission of additional information to the subject of intellectual property rights

In supplementing, at the request of the subject of intellectual property rights, the information submitted in accordance with paragraph 3 Article 9 of this Law, the territorial customs, to which the customs office suspending the goods belongs, and(or) Customs Department under the Ministry of Finance shall present the said subject with the data on the amount of goods bearing without authorization a trademark and (or) service mark (counterfeit goods) or infringing copies (pirated goods), the names (full names) and addresses of the person dispatching or receiving the goods, exporter or importer, as well as data on similar goods previously imported by the same importer (received by the relevant person) or exported by the exporter (dispatched by the relevant person).

Chapter VI

Final provisions

Article 14. Liability

1. The acceptance of a request conforming to the requirements laid down in Article 6 of this Law shall not grant the subject of intellectual property rights the right to claim damages if the customs does not discover or does not suspend in accordance with paragraph 1 Article 9 of this Law the goods bearing without authorization a trademark and(or) service mark or infringing copies (pirated goods) or executes an import or export customs procedure or any other action authorized by the customs in relation to such goods. Such acts or omission by the customs may be appealed in accordance with the procedure prescribed by the Customs Code of the Republic of Lithuania.

2. The customs and other public authorities shall not be held liable for the losses incurred by the persons related to import and export operations of goods bearing without authorization a trademark and (or) service mark (counterfeit goods) or infringing copies (pirated goods), arising from the application of the measures for the protection of intellectual property rights provided for by this Law.

3. The procedure for the reimbursement of losses and material damage shall be regulated by the Law on Copyright and Related Rights, Law on Industrial Design, Law on Trademarks and Service Marks and the Civil Code of the Republic of Lithuania.

4. Administrative and criminal liability shall be applied to individuals for the violations of this Law in the procedure prescribed by law.

5. Actions taken by customs officers and civil servants in the application of this Law may be appealed in accordance with the procedure established by the Customs Code of the Republic of Lithuania.

Article 15. Non-application of the provisions of the Law in relation to goods carried by passengers

The provisions of this Law shall not apply to the carriage by passengers of goods meant for non-commercial and non-production purposes, the import of which without being subject to import duties and taxes or the export of which being subject to a simplified customs declaration procedure shall be allowed in accordance with the procedure established by the Government of the Republic of Lithuania.

Article 16. Customs co-operation with other public authorities and international co-operation

In applying this Law and with the aim of discovering the infringements of intellectual property rights in the field of import and export of goods, and in pursuing the prevention thereof, the customs shall:

1) co-operate, exchange information and formulate common procedures with law enforcement institutions and other public authorities with powers of protection of intellectual property rights vested in them;

2) acting in accordance with international agreements of the Republic of Lithuania and on its own initiative, co-operate with customs administrations of other states and other international organisations, with powers of protection of intellectual property rights vested in them.

Article 17. Implementation of the Law

The Customs Department under the Ministry of Finance shall approve legal acts necessary for the application of this Law before 1 April 2000.

Article 18. Entry into force of this Law.

This Law shall enter into force on 1 July 2000.

I promulgate this Law passed by the Seimas of the Republic of Lithuania.

President of the Republic