

Managing Intellectual Property™

Incorporating IP Asia
July/August 2008
www.managingip.com

SPECIAL FOCUS: **INDIA
AND NORDIC STATES**

**HOW TO SURVIVE THE
DOMAIN NAME EXPLOSION**

**TIME TO REFORM RULES
ON PRIVILEGE**

**THIS YEAR'S 50 MOST
INFLUENTIAL FIGURES**

**ENFORCEMENT TIPS
FOR THE EU**

LICENSORS BEWARE!

**WHY QUANTA COULD HIT
YOUR PATENT REVENUES**



India's vast size makes border enforcement a tough task. But the government is up to the challenge, say **Hemant Singh** and **Mamta Rani Jha** of **INTTL Advocare**, New Delhi

Government steps up border enforcement measures

India has large porous borders, which have been conventionally used for various unlawful imports including smuggling of gold, counterfeits and arms. India has a coastal line of 7600 kilometres and 12 major and 184 minor ports. It has 12 international airports and a large surface passage for infiltration. In order to effectively prevent illegal transit of goods and counterfeits, India not only requires trained Customs personnel, advanced transportation and communication equipment, but also stringent enforcement laws to provide for effective and prompt seizure of infringing imports.

India, being a signatory of the Trade Related Aspects and Intellectual Property Rights (TRIPs) Agreement, has an obligation to provide effective remedies against unlawful import through the Customs Authorities in accordance with Article 51, 52, 53, 56 and 59 of the Agreement.

The government of India has now put in place Intellectual Property Rights (Imported Goods) Enforcement Rules 2007 (or Border Measure Rules) which were notified by the central government on May 8 2007, exercising its power conferred under Section 156(1) of the Customs Act 1962 read with Section 11 of the said Act. These rules are now part of Customs Act 1962, and provide an interface between the conventional Customs provisions and various IP enactments in India. These rules have been put in force with effect from October 29 2007. Unlike the previous Customs provisions, these rules prohibit import of not only goods bearing false trade marks or false trade descriptions under the Trademark Act 1999 or infringement under the Designs Act 2000 but also prohibit import of goods that violate the Copyright Act 1957, Patents Act 1970 and the Geographical Indications of Goods (Registration and Protection) Act 1999.

A smooth-functioning system

India followed the model provisions prescribed by World Customs Organization (WCO) of May 2004 for national legislation to implement fair and effective border measures consistent with the TRIPs Agreement. The guidelines provided for a minimum standard to be followed by the government of India in implementing special border measures. It intends to modernize the Customs and empower the authorities adequately to prevent unlawful import without compromising on the judicial review mechanism that could prevent unfair and abusive exercise of power.

The challenge was to reconcile the role of the Customs Authority to contribute effectively in the fight against counterfeits and piracy and yet to allow and not to intervene or hinder the smooth fair trade in legitimate goods. The Authority needed to incorporate mechanisms and rules that did not create barriers to international free trade. The Model Code further recognized and highlighted preventive measures considering that the holders of the IP rights have the primary responsibility to take effective steps to protect their rights. Such measures included the registration of trade marks as prescribed by the trade mark law, and submission of enforcement

Hemant Singh



Hemant Singh is managing partner of Intl Advocare. Singh has practised in the field of IP rights since 1984. He specializes in the protection and enforcement of IP rights (copyrights, trade marks, designs, patents, trade secrets and geographical indications), and in cyber law and information technology law.

In 1991 Singh founded the law firm Intl Advocare. His guidance and hard work have seen the firm grow steadily from a national to an international level. He has been instrumental in developing a worldwide clientele and has filed more than 900 suits in India, obtaining reliefs including interim injunctions and Anton Pillar orders. He has been the lead counsel in several landmark IP judgments that have laid down significant principles of law.

Mamta Rani Jha



Mamta Rani Jha is a senior associate at Intl Advocare. She researches and analyses law and assists the lead counsel before the Supreme Court, the Delhi High Court, District Courts, the National Consumer Disputes Redressal Commission and other Tribunals. She manages cases and drafts pleadings, and carries out research on emerging issues related to IP rights and technology.

After obtaining her law degree from Delhi University, Jha enrolled with the Bar Council of India (1999). She has experience in civil law, criminal law, banking and investments, and service matters, in addition to her knowledge of IP law.

In the case of perishable goods, the period of suspension is reduced to three days (extendable by four days).

After suspension of goods, the right holder is authorized to examine the suspended goods and also required to provide samples for examination and analysis to prove whether the imported goods are infringing. The right holder is also entitled to request and receive from the Customs Department the name and address of the importer and other relevant information relating to the suspended goods.

Room for improvement

If, upon the determination by the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as case may be, it is found that goods detained or seized have infringed IP rights, and have been confiscated under Section 111(d) of the Customs Act 1962, and no legal proceedings are pending in relation to such detention, the goods under official supervision are destroyed or disposed of after obtaining no objection, or the consent of the right holder. If the right holder does not oppose or react to the mode of disposal within 20 days of being informed (extendable by another 20 days) the right holder shall be deemed to have concurred with the mode of disposal. The rule allows re-exportation of goods only in an altered state.

The Rules need to address the issue and give a timeframe to either of the parties to approach the court for adjudication as to whether the suspended goods constitute infringing goods. The existing provision may even hinder the court's exercise of

discretion regarding who should bear the warehouse and destruction costs upon conclusion of the adjudication.

The Commissioner of Customs has also notified filing of IP right notices electronically, with a user-friendly web page available on the Customs web site <http://www.icegate.gov.in>, which can also be accessed following the link of <http://www.icegate.gov.in>.

Neither the provisions of the existing Customs Act nor the IP laws provide for suspension of goods under transshipment, though the Supreme Court of India had recognized that goods, which are entering into the Indian borders in the form of tran-

The enforcement by the right holders can only get better and better from here onwards!

shipment, also constitute unlawful import. It is therefore desirable that the provisions for suspension of goods under transshipment should also be incorporated under the current Border Measure Rules.

Though the Border Measure Rules are a good initiative by the government of India, their implementation is bound to throw up issues that will require further improvements or modifications to even out teething troubles. The government of India needs to be complimented for this initiative. The enforcement by the right holders can only get better and better from here onwards!

inttladvocare

INTTL ADVOCARE

Intellectual Property Attorneys

INTTL ADVOCARE is a law firm based at New Delhi in India, specializing in the field of intellectual property rights and information technology. It is involved in rendering broad spectrum of professional services pertaining to advisory, prosecution and enforcement issues in the field of trade marks, copyrights, industrial designs, patents, geographical indications, monopolies and restrictive trade practices, consumer protection laws etc., since 1991. The law firm has been involved in significant cases pertaining to issues of infringement and passing off, seizure, criminal raids, Anton Pillar orders, criminal prosecution, computer software, overlap between IP rights and public domain, damages, domain names, cyber laws etc. INTTL ADVOCARE has multi-jurisdictional practice, handling IP litigation and prosecution on all India basis through its associate offices at Mumbai, Chennai, Kolkata, Bangalore and Ahmedabad. INTTL ADVOCARE has had the privilege of representing some of the biggest and leading brands. The firm also provides services for prosecution of IP rights in other neighbouring countries in the Asian sub-continent.

**D-22, Panchsheel Enclave
New Delhi 110 017
INDIA**

**Phone: +91 11 264 98062 / 63 / 64
Fax: +91 11 264 98061
E-mail: ipcare@inttladvocare.net
hemant@inttladvocare.net**

**F-252, Sainik Farms
New Delhi 110 062
INDIA**

DELHI

MUMBAI

CHENNAI

KOLKATA

BANGALORE