

ANNEX 6

DRAFT BILL

1. **LAW ON THE ENFORCEMENT OF
INTELLECTUAL PROPERTY RIGHTS INCLUDING BORDER MEASURES**

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72. LAW ON THE ENFORCEMENT OF
INTELLECTUAL PROPERTY RIGHTS INCLUDING BORDER MEASURES

73.

74. **Part I: Preliminary**

75.

76. **Short Title and
Commencement**

1. This Act may be cited as the Enforcement of Intellectual
Property Rights and Border Measures Act, and shall

77. come into operation on a date to be fixed by His Majesty
in

78. Council.

79.

80. **Interpretation**

2. In this Act, unless the context otherwise requires:

“counterfeit trademark goods” shall mean any goods, including packaging, bearing
without authorization a trademark which is identical to
the trademark validly registered in respect of such
goods, or which cannot be distinguished in its essential
aspects from such a trademark, and which thereby
infringes the rights of the owner of the trademark in
question under the law of Tonga, and

"court" means the Supreme Court of Tonga

"minister" means the Minister for Labour, Commerce & Industries

81. **“pirated copyright goods”** shall mean any goods which are copies made without

82. the consent of the right holder in the country of

83. production and which are made directly or
indirectly

84. from an article where the making of that copy
would

85. have constituted an infringement of a copyright or
a

86. related right under the law of Tonga.

87.

88. **"registrar"** means the Registrar for Industrial Property

89.

II. PART II: INFRINGEMENT PROCEEDINGS

III. CHAPTER 1: INFRINGEMENT

Infringement of Patent Remedies 3(1) Subject to Sections 13 of the Industrial Property Act 1994 an infringement of a patent shall consist of the performance of any act referred to in Section 7 of the Protection of Layout Designs (Topographies) of Integrated Circuits Act, 2002, by a person other than the owner of the patent and without the agreement of the latter.

(2) On the request of the owner of the patent, or of an exclusive licensee, or of a non-exclusive licensee if he has requested the owner to institute court proceedings for a specific relief and the owner has refused or failed to do so, the Court may grant an injunction to prevent infringement or an imminent infringement and, where the infringer acted knowingly or with reasonable grounds to know, award damages and grant any other remedy provided for in the general law or under Chapter 4 of this Part.

Infringement of Trademarks, Trade names, Business names and Trade Secrets; Unlawful Acts; Remedies

4 (1) Subject to Section 30 of the Industrial Property Act 1994 an infringement of a registered mark or of an unregistered well-known mark shall consist of the performance of any act referred to in sections 4, 5 and 6 of the Protection of Geographical Indications Act, 2002; sections 5, 6 and 7 of the Protection Against Unfair Competition Act, 2002; section 17 of the Registration of Business Names Act, 2002, in Tonga by a person other than the owner of the mark and without the agreement of the latter.

(2) Subject to Section 27(e) of the Industrial Property Act 1994, an infringement of a registered well-known mark shall consist of the use of a sign identical with or confusingly similar to the well-known mark without the agreement of the owner of the well-known mark provided that the sign is used:

- (i) in relation to goods or services identical with or similar to the goods or services for which the well-known mark has been registered, or

(ii) in relation to goods or services which are not identical with or similar to those in respect of which the well-known mark has been registered provided that the use of the sign in relation to those goods or services would indicate a connection between those goods or services and the owner of the well-known mark and that the interests of the owner of the well-known mark are likely to be damaged by such use.

(3) An infringement of an unregistered well-known mark shall consist of the use of a sign identical with or confusingly similar to the well-known mark without the agreement of the owner of the well-known mark provided that the sign is used in relation to goods or services identical with or similar to the goods or services for which the mark is well-known.

(4) On the request of the owner of a mark or of an exclusive licensee, or of a person affected by an act of unfair competition including the disclosure of secret information or the unlawful use of a trade name or business name likely to mislead the public, or of a non-exclusive licensee if he has requested the owner of the mark to institute court proceedings for a specific relief and the owner of the mark has refused or failed to do so, the Court may grant an injunction to prevent infringement, an imminent infringement, or an unlawful act referred to in *Section 30* of the Industrial Property Act 1994, award damages and grant any other remedy provided for in the general law or under Chapter 4 of this Part.

Infringement of Industrial Designs;
Remedies

5(1) An infringement of an industrial design registered under the Industrial Property Act 1994 shall consist of the performance of any act referred to in Section 25 of the said Law by a person other than the owner of the industrial design and without his agreement.

(2) On the request of the owner of the industrial design, or of an exclusive licensee, or of a licensee if he has requested the owner to institute court proceedings for a specific relief and the owner has refused or failed to do so, the Court may grant an injunction to prevent infringement or an imminent infringement, award damages and grant any other remedy provided for in the general law or under Chapter 4 of this Part.

Unlawful Use of Geographical Indications;

Remedies 6 (1) An unlawful use of a geographical indication protected under the Protection of Geographical Indications Act, 2002, shall consist of the performance of any act referred to in Section 4 of the said Act or any use of a geographical indication by a person who has no right to use the geographical indication in accordance with the said Law.

(2) On the request of any interested person or of any interested group of producers or consumers, the Court may grant an injunction to prevent the unlawful use of the geographical indication, award damages and grant any other remedy provided for in the general law or under Chapter 4 of this Part.

Infringement of Layout-Designs; Remedies 7 (1) An infringement of a layout-design (topography)

of an integrated circuit protected under the Protection of Layout-Designs (Topographies) of Integrated Circuits Act, 2002, shall consist of the performance of any act referred to in Section 5 of the said Law by a person other than the owner of the layout-design (topography) and without his agreement.

(2) On the request of the owner of the layout-design (topography) of an integrated circuit, or of a licensee if he has requested the owner to institute court proceedings for a specific relief and the owner has refused or failed to do so, the Court may grant an injunction to prevent infringement or an imminent infringement, award damages and grant any other remedy provided for in the general law or under Chapter 4 of this Part.

Infringement of Copyright and Related Rights;

Remedies 8. An infringement of a copyright or related right shall consist of any act that violates any right protected under the Copyright Act, 2002.

IV.

CHAPTER 2: PROVISIONAL MEASURES

Provisional Measures

9 (1) The Court shall order, in accordance with the procedure prescribed in the Regulations implementing this Act prompt and effective provisional measures to prevent an infringement or unlawful use referred to in Chapter 1 of this Part from occurring or to preserve relevant evidence in regard to an alleged infringement.

(2) Where appropriate, in particular where any delay is likely to cause irreparable harm to the right holder or where there is a demonstrable risk of evidence being destroyed, the Court shall order provisional measures without giving the other party an opportunity of being heard provided that the applicant has furnished:

- (i) any reasonably available evidence satisfying the Court with a sufficient degree of certainty that the applicant is the right holder and that the applicant's rights are being infringed or that such infringement is imminent, and
- (ii) any security or equivalent assurance required by the Court to protect the defendant and to prevent abuse.

(3) Where provisional measures have been ordered without having given the other party an opportunity of being heard, the Court shall give the parties affected notice of the decision, at the latest after the execution of the measures.

(4) Where provisional measures have been ordered under sub-sections (2) and (3), the defendant may file a request for review with the Court within fourteen working days from the notification of the decision. In the review proceedings, the Court shall give the parties concerned an opportunity of being heard and shall confirm, modify or revoke the decision within a reasonable period after the notification of the decision.

(5) Where the applicant does not initiate court proceedings leading to a decision on the merits of the case within 20 working days or 30 calendar days, whichever is the longer, from the notification of the decision ordering provisional measures or within any other reasonable period determined by the Court in the

decision, the Court shall revoke the provisional measures upon the request of the defendant.

(6) Where the provisional measures are revoked or where the Court decides on the merits of the case in proceedings under sub-section (5) initiated by the applicant that there has been no infringement or threat of an infringement, the Court shall order the applicant, upon the request of the defendant, to provide the defendant appropriate compensation for any injury caused by the execution of the provisional measures.

V. CHAPTER 3: EVIDENCE; BURDEN OF PROOF

Evidence 10. (1) The Court may, where a party has presented reasonably available evidence sufficient to support the claims and has specified evidence relevant to substantiation of the claims which lies in the control of the opposing party, order that this evidence be produced by the opposing party, subject, in appropriate cases, to conditions which ensure the protection of confidential information.

(2) In cases in which a party to a proceeding voluntarily and without good reason refuses access to, or otherwise does not provide necessary information within a reasonable period, or significantly impedes a procedure relating to an enforcement action, the Court may make preliminary and final determinations, affirmative or negative, on the basis of the information presented to it, including the complaint or the allegation presented by the party adversely affected by the denial of access to information, subject to providing the parties an opportunity to be heard on the allegations or evidence.

Reversal of Burden of Proof

11 (1)(a) For the purposes of civil proceedings in respect of the infringement of rights of the owner, if the subject matter of a patent is a process for obtaining a product, the court may order the defendant to prove that the process used to obtain an identical product is different from the patented process.

(b) Any identical product when produced without the consent of the patent owner shall, in the absence of proof to the contrary, be deemed to have been obtained by the patented process in either of:

- (i) If the product obtained by the patented process is new; or,
- (ii) if there is a substantial likelihood that the identical product was made by the process and the owner of the patent has been unable

through reasonable efforts to determine the

the right holder of the identity of third persons involved in the production and distribution of the infringing goods or rendering of services and of their channels of distribution, where this would be in proportion to the seriousness of the infringement.

Indemnification of Defendant

15. The Court shall order an applicant at whose request measures were taken and who has abused enforcement procedures to provide to a defendant wrongfully enjoined or restrained adequate compensation for the injury suffered by virtue of such abuse. Where this is considered adequate in view of the seriousness of the abuse, the Court shall also order the person having abused enforcement procedures to pay the other party expenses including appropriate attorney's fees.

Appeals 16. (1) Any decision by the Court in infringement proceedings shall be subject to an appeal to the Court of Appeal.

(2) The appeal shall be filed within 30 calendar days from the notification of the decision.

of release into free circulati

Liability of Customs Department

22. The Customs Department shall not be liable for any action taken or intended in good faith in respect of the release or suspension of release into free circulation of counterfeit, pirated and/or infringing goods including, in particular,

- (i) any failure to detect such goods, and
- (ii) the inadvertent release of such goods.

Assistance by Right Holder

23. The Customs Department may require the right holder to provide any information that may assist it in exercising its powers under this Chapter.

VIII. CHAPTER 2: BORDER MEASURES BY COURT ORDER

Availability of Border Measures

24. Border measures shall, where the conditions set out in this Chapter are met, be ordered by the Court to prevent the importation of goods which infringe intellectual property rights conferred by

- (i) patents granted in accordance with the Industrial Property Act 1994,
- (ii) trademarks and trade names protected under the Industrial Property Act 1994,
- (iii) industrial designs protected under the Industrial Property Act 1994,
- (iv) geographical indications protected under the Protection of Geographical Indication Act No. 17 of 2002,
- (v) copyright and related rights protected under the Copyrights Act, 2002,
- (vi) the importation of integrated circuits incorporating unlawfully reproduced layout-designs (topographies) protected under the Protection of Layout-Designs (topographies) of Integrated Circuits Act No. 18 of 2002, or articles incorporating such integrated circuits.

Application for Suspension

25. The holder of an intellectual property right, who has valid grounds for suspecting that the importation of goods that infringe his rights may take place, may file

an application with the Court requesting it to order the Customs Department to suspend customs clearance of those goods.

Request; Prima Facie Evidence

26. The application shall be presented in writing and shall state the grounds for the request. It shall be accompanied by

- (i) *prima facie* evidence that the applicant is the holder of the intellectual property right
- (ii) *prima facie* evidence that his right has been infringed or that an infringement is imminent,
- (iii) a sufficiently detailed description of the goods alleged to be infringing in order to make them readily recognizable, and,
- (iv) the prescribed fee.

Content of Application

27. The applicant shall furnish all information available to him enabling the Court to take a decision. The information may include the following:

- (i) the name and address of the importers and/or consignees of the goods alleged to infringe his intellectual property rights,
- (ii) a sample or photograph of the goods alleged to be infringing, or other means enabling the Customs Department to

the Sultanate and presented to the Customs Department,

- (vii) the expected date of importation and presentation to the Customs Department, and
- (viii) a sample of the genuine goods produced by or with the consent of the right holder.

Security

28. (1) The Court may require the right holder to provide security or other equivalent assurance:

- (i) to cover any liability on his part *vis-à-vis* persons affected by border measures where the said measures are discontinued by virtue of an act or omission by the right holder or where the goods in question are subsequently found not to be infringing,
- (ii) to ensure payment of the expenditure incurred in keeping the goods in suspension by the Customs Department, and
- (iii) to prevent abuse.

Compensation for Wrongful Detention

31. The Court may order the applicant to pay the importer, the consignee and the owner of the goods appropriate compensation for any injury caused to them through the wrongful detention of goods or through the detention of goods released by virtue of failure to initiate proceedings leading to a decision on the merits of the case in accordance with Section 31.

IX. CHAPTER 3: PROCEEDINGS LEADING TO DECISIONS ON THE MERITS OF THE CASE

Time Limit; Release of Goods

35. (1) If, within a period of 10 working days after the applicant has been notified of the suspension of the release into free circulation, no proceedings leading to a decision on the merits of the case have been initiated by a party other than the defendant and, where the Customs Department has taken the decision to suspend the release into free circulation of the goods, the Customs Department has not been notified accordingly, the goods shall be released, provided that all other conditions for importation have been complied with.

(2) The Customs Department may, where it considers an extension of the said period to be appropriate under the circumstances, extend the period of suspension by a period not exceeding another 10 working days.

(3) The Court may extend the period by any period it considers reasonable under the circumstances.

Review of Decision

33 (1) If proceedings leading to a decision on the merits of the case have been initiated, the Court or the Customs Department, whichever authority has taken the decision to suspend the release into free circulation of the goods alleged to be infringing, shall review, upon the request of the defendant, the decision with the view to determining whether the measures shall be modified, revoked or confirmed.

(2) Where the suspension of the release of goods is continued in accordance with a provisional measure ordered by the Court, the period of further suspension shall be determined by the Court. Where no such determination has been made, the said period shall not

exceed 20 working days or 31 calendar days, whichever is the longer.

Destruction of Goods

34. The Court shall, where the conditions set out in Section 11(1) are met, order the destruction of infringing goods or the disposal of them outside the channels of commerce in such a way as to preclude injury to the right holder, without compensation of any sort.

1. The following shall not be permitted:

- (i) re-exporting the infringing goods in the unaltered state,
- (ii) other than in exceptional cases, simply removing the trademarks which have been affixed to counterfeit goods without authorization, and
- (iii) placing the goods under a different customs procedure.

X. CHAPTER 4: GENERAL PROVISIONS

De Minimis Imports

35. Small quantities of goods of a non-commercial nature contained in the traveler's personal luggage or sent in small consignments may be excluded from suspension from release into free circulation.

By-laws; Administrative Instructions

36. The Minister shall issue Implementing Regulations setting out the detailed procedure for the implementation of this Law which may, in particular,

- (i) contain provisions establishing a centralized recordation system of intellectual property rights,
- (ii) provide for establishing contact points for the exchange of information on trade in goods infringing intellectual property rights,
- (iii) provide for the publication of decisions of general interest on the application of this Law, and

(iv) Provide for establishing a cooperative body