The world as a whole is faced with an ever growing volume of counterfeit goods appearing at the borders of individual countries. A large percent of such goods is a result of infringement of intellectual property rights. Therefore, it is necessary to come up with effective means of combating this phenomenon which is extremely detrimental not only for the holders of those intellectual property rights, but also for the consumers who, by acquiring such goods, open themselves to various kinds of hazards, since the counterfeits are inherently flawed for the most part.

Questions

1) Analysis of current law and case law
   
   The Groups are invited to answer the following questions under their national laws:

   1) Do the laws of your country provide for border measures? If so, what is the legal basis?

   The Croatian legislature provides for border measures in the field of protection of intellectual property rights. These measures are structured in accordance with global trends aimed at protecting one of the most valuable and potentially extremely lucrative areas of human interest, the area of IP, and they are supposed to provide an effective environment where infringement of these rights is in no way tolerated.

   The legal basis for the measures are the Customs Act (NN 78/99, 117/99, 73/00, 92/01, 47/03, 140/05, 138/06, 60/08), that gives the legal framework for the subject matter in the area of customs as a whole, and the Directive on Implementing Customs Measures in Relation to Goods Suspected of Infringing Certain Intellectual Property Rights (NN 50/06, 82/07), which is dealing with the specific area of customs related infringement of IP rights.

   2) Do the laws of your country provide for other measures of customs intervention against infringers? If so, which ones and what is the legal basis?

   The principal way of dealing with border related infringement in the area of IP in Croatia is regulated by the acts stated above. However, the IP laws (Trademark Act, Patent Act, Industrial Design Act, etc.) all have provisions within them which state that import of these kinds of goods are prohibited without the express authorization of the rights’ holder.

   3) Are border measures and other measures of customs intervention against (collectively referred to as “border measures”) only available for pirated copyright and counterfeit trademark goods or also for goods infringing other IP rights? If so, for which types of IP rights are border measures available?

   Are border measures in particular available for goods infringing patents, plant variety rights, common law marks, unregistered design rights, or geographic indications?
Is actual registration of the IP rights required or is an application to register sufficient?

Does unfair competition, passing off or the like give rise to border measures?

These border measures are meant to protect most of the intellectual property rights. Namely, the Directive expressly mentions trademarks, copyright, industrial designs, patents, plant variety rights and geographical indications. Integrated circuits aren’t included in this list, and the reason for this may be in the fact that currently there are no registered rights pertaining to integrated circuits in Croatia.

The Directive is not meant only to seek out infringed goods, but it also prescribes that any mould or matrix which are specially designed or customized for producing goods which infringe IP rights are to be deemed as goods infringing IP rights themselves.

The Directive, as well as the entire IP legislature in Croatia, provides protection to holders of registered rights, but also to all other persons authorized to use any of the IP rights listed above.

4) Are border measures available for parallel imported goods?
Are border measures available for goods contained in a travellers’ private luggage?
Are there any other goods excluded by your border measures legislation?

Goods produced with the authorization of the rights’ holder, as well as the goods produced differently than agreed upon with the rights’ holder, but which goods are going through the customs procedure without the rights’ holder’s consent are not deemed to be infringing goods as to the scope of this Directive.

According to Art 4, Par 1 of the Directive, the goods produced with the approval of the rights’ holder, but which have entered into customs procedures without the right holders’ approval are excluded from the protection given by the Directive.

Personal luggage, and goods contained in it, is excluded from the protection given by the Directive as well, while all other goods fall into the protection provided by the Directive.

5) Who is entitled to file an application for customs action?

Is there a centralised system for managing multiple applications for customs action through a single contact point?

What are the conditions for border measures?

In particular, what level of evidence for alleged infringement and other information is required by customs authorities regarding the application for customs action?

To which extent are customs authorities willing to receive training by the right holder?

Do customs authorities generally require the provision of a security to protect the owner, holder or importer of the allegedly infringing goods? If so, will such security depend on the type of IP rights?

May the customs authorities take ex officio measures? If so, what is the practical relevance of ex officio action in your country?

Are customs authorities liable in case of wrongful ex officio detention?

The application for the initiation of border measures can be filed by the rights’ holder himself, any other person authorized to use any of the IP rights, and their representative.

The customs measures system is overall highly centralized, since all applications are forwarded to, and handled by, the Customs Central Office in Zagreb, capital of Croatia.

The application for the initiation of border measures can be filed by the rights’ holder himself, any other person authorized to use any of the IP rights, and their representative.

The customs measures system is overall highly centralized, since all applications are forwarded to, and handled by, the Customs Central Office in Zagreb, capital of Croatia.
The Request for the initiation of border measures should be accompanied with: a) personal information about the applicant; b) documentation proving that the applicant is the right holder; c) authorization to use the right if the application is filed by the person other than the rights holder; d) if the application is filed by the representative, they must provide a copy of a valid Power of attorney; e) an accurate and detailed technical description of the goods; f) name and address of the contact person; g) all information regarding the manner or method of intellectual property infringement, and h) other available data known to the rights’ holder (such as the value of the original goods, data on identifying the shipment and packaging, expected time of delivery and destination etc.).

Most importantly, one has to provide a certified statement by the public notary acknowledging the responsibility for possible damages that may occur to the alleged infringer.

When applying for customs measures, the applicant is supposed to provide enough evidence as to the existence of the standard of reasonable doubt of IP right infringement.

The customs authorities in Croatia are generally positively inclined to professional assistance, which would help them in their work.

They are authorized to act ex officio if there is reasonable doubt about the infringement of IP rights. Such ex officio action is limited to temporarily blocking the goods, i.e. stopping the customs procedure, and notifying, without delay, the right holder, who then has three days to initiate the prescribed customs measures in regards to the infringement (i.e. file the Application). Provided the Customs act in the described manner, they are not to be held liable in case of wrongful detention.

6) Are customs authorities properly equipped to identify goods which infringe patents, plant variety rights, common law marks, unregistered design rights, geographic indications or the like?

Within the Customs, there is a special department whose members are dealing exclusively with the matters of IP rights infringement. Also, all Customs’ personnel receive regular training and education on IP related issues through seminars, workshops, etc. These events are held regularly throughout the year.

7) Is only the right-holder or also the owner, holder or importer of the allegedly infringing goods notified once the customs authorities detain goods? How can the alleged infringer obtain information about the status of border measures and what information is provided by customs authorities to the alleged infringer?

The rights’ holder is notified immediately after the Customs’ authorities establish the possibility of infringement, so as to give him the possibility to file an application for the initiation of customs border measures. Such application has to be filed within three days from receiving the notification. The owner of the allegedly infringing goods is notified only after the initiation of the proceeding.

8) What happens after notification? Briefly describe the procedure following notification. Is the inspection of the allegedly infringing goods following notification usually carried out by the right holder or by an expert?

Does your border measures legislation provide for a simplified procedure allowing the destruction of the goods without there being any need to determine whether IP rights have been infringed? If so, in which cases? Are samples of the goods preserved for evidence purposes?

If proceedings must be issued to determine whether the goods infringe IP rights, are both civil and criminal proceedings available to determine infringement? What are the advantages and disadvantages of the respective proceedings?
What is the impact of a nullity action seeking to invalidate IP rights on the application for customs action?

May customs authorities release goods suspected of infringing IP rights on provision of a security by the owner, holder or importer of such goods? If so, will such release depend on the type of IP rights?

If the application meets all formal requirements (as stated above), the customs authorities issue a Decision on temporary detention of the goods. The rights’ holder then has a ten day deadline to file a law suit against the owner of the goods, claiming infringement of his IP rights, and to notify the Customs about it. The Customs Central Office now has five days to issue a Decision on the detention of the goods until the conclusion of the court proceedings.

Customs authorities rely mainly on the help of the rights’ holder, his representatives, and the experts they provide.

It is possible to order the destruction of the goods even before the final determination of infringement. This is the case when the goods are temporarily detained following the request of the rights’ holder and if the rights’ holder asks for their destruction. The requirement is that the rights’ holder must give a statement of infringement of his rights, notarized by a notary of the public, while the importer of the goods, or their owner or holder, must give a notarized statement consenting to such destruction. This statement of consent is presumed to have been given if the proprietor of the goods fails to oppose the destruction or doesn’t file an appeal against the decision on the temporary detention of the goods. The costs of the destruction, in this case, are to be paid by the rights’ holder.

Either the right holder, or the owner of the goods, may apply for samples to be taken and kept for evidence purposes. Samples are taken under the supervision of the Customs officers in accordance with the customs procedure, and minutes on it have to be drawn up.

Croatian legislation provides both civil and penal proceedings for the protection against IP rights’ infringement; however it is hard to speculate on the advantages of either proceeding due to the diversity of possible infringements, so this assessment should be made on a case to case basis.

The initiation of a nullity action seeking to invalidate an IP right has no bearing on the Customs measures proceedings, however should this action be successful, the right holder has to notify the Customs of this fact in eight days.

There is no possibility for the release of the goods following the corresponding request made by the owner of the goods once the border measures proceedings have begun.

9) If goods are found to infringe IP rights, may a right holder oppose
– exportation of infringing goods from your country;
– infringing goods in transit;
– placement of infringing goods in a free trade zone or free trade warehouse?

According to Art 24 of the Directive, goods found to infringe IP rights must not be released onto the market, taken out of the customs jurisdiction of the Republic of Croatia, exported, re-exported, etc, regardless of the right holder’s dispositions.

10) If goods are found to infringe IP rights, do the judicial or customs authorities of your country generally order the destruction of the goods or do they have the authority to dispose of the goods outside commercial channels (e.g. to charity)?

May the competent authorities also order the infringer to give the names of his accomplices, upstream or downstream in the channels of production and distribution?
The goods which have been found to infringe intellectual property rights, following a legally valid decision of the competent court, are to be destructed. The costs of this destruction are to be paid by the recipient of the infringing goods.

The customs authorities do not themselves have a legally prescribed possibility of compelling the infringer to reveal the names of his accomplices, or any other business partners in the endeavor.

1) May judicial or customs authorities order the applicant to pay the owner, holder or importer of goods appropriate compensation for any injury caused by wrongful detention? What is considered appropriate compensation and does it include attorney fees or other expenses?

The customs authorities do not have the power to impose any financial sanctions on the applicant. However judicial bodies can, following a lawsuit by the alleged infringer who suffered damages, award financial compensation within the amounts requested in the claim. In order to facilitate these proceedings, the applicant is bound to provide a certified statement of responsibility for possible damages when applying for the border measures. Attorney fees and expenses are included in the judgment.

Summary

Generally speaking, the Croatian legislation on border measures is drafted in accordance with the current international theory and practice in this field, especially with the one in force in the European Union, since Croatia is harmonizing its legal system with the EU's Acquis communautaire, due to its aspirations to become a member in the near future.

Having said that, the fact that groups of countries, such as the EU, are adopting uniform rules should provide for better results in the fight against infringers and infringed goods. As a general rule, people are able to achieve better results and perform their tasks more efficiently when they are provided with enough information. That is why the cooperation between the customs jurisdictions of different countries, and the exchange of experiences and knowledge, necessarily lead to more favorable results in the area of combating infringement of any kind, and most especially in the area of IP.

The system of applying for customs and border measures should be uniform, so as to enable the injured parties, in this case the rights' holders, irrelevant of their citizenship, to get help and relief quickly and efficiently.

The system of border measures should be structured in such a way as to enable the rights' holders to protect their interests swiftly and efficiently. The alleged infringers should rely on the system of guarantees given by the border measures applicants, i.e. the rights' holders, which would ensure that they would be compensated for any damages should the border measures proceedings end up without a determination of infringement.

Résumé

En règle générale, la législation croate en matière de règles frontalières est rédigée conformément à la théorie et à la pratique internationale actuelle dans ce domaine, et en particulier à celle en vigueur dans l’Union Européenne, puisque que la Croatie est en train d’harmoniser son système juridique avec l’Acquis communautaire de l’Union Européenne compte tenu de ces aspirations à y adhérer dans un futur proche.

Ceci dit, le fait que des groupes de pays, tels que l’Union Européenne, adoptent des règles uniformes devraient assurer de meilleurs résultats dans la lutte contre les contrefacteurs et les
marchandises contrefaisantes. En règle générale, les gens sont capables d'obtenir de meilleurs résultats et d'effectuer leurs tâches d’une manière plus efficace si ils reçoivent des informations suffisantes. C’est la raison pour laquelle une coopération entre les autorités compétentes en matière de douanes de différents pays et un échange d’expérience et de savoir mènent forcément à des résultats plus favorables dans le cadre de la lutte contre les contrefaçons de toutes sortes et en particulier dans le domaine de la propriété intellectuelle.

Le système de demande de mesures douanières et frontalières devrait être uniforme afin de permettre aux parties lésées, dans le cas présent aux titulaires de droits, de recevoir une assistance et réparation rapide et efficace quelque soit leur nationalité.

Le système de mesures douanières et frontalières devrait être organisé de manière à permettre aux titulaires de droits de protéger leurs intérêts d’une manière rapide et efficace. Les présumés contrefacteurs devraient se fier au système de garanties offert par les demandeurs de mesures frontalières, soit par les titulaires de droits, ce qui assurerait qu’ils soient indemnisés de tous dommages dans le cas où la procédure en matière de mesures frontalières serait conclue sans aboutir à une décision sur l’infraction.

**Zusammenfassung**

Im Allgemeinen steht die kroatische Gesetzgebung in Bezug auf Grenzmassnahmen im Einklang mit der derzeitigen internationalen Theorie und Praxis in diesem Bereich, insbesondere mit jener, die in der Europäischen Union in Kraft ist, da Kroatien aufgrund seines Bestrebens, in naher Zukunft ein Mitglied zu werden, sein Rechtssystem an das Acquis Communautaire (den gemeinschaftlichen Besitzstand) der EU angleicht.


Das System in Bezug auf die Anwendung der Zoll- und Grenzmassnahmen sollte einheitlich sein, um den Beteiligten, in diesem Fall den Rechtinhabern, unabhängig von ihrer Staatsangehörigkeit schnelle und effiziente Hilfe zu bieten und Abhilfe zu schaffen.

Das System der Grenzmassnahmen sollte derart strukturiert sein, dass es den Rechtinhabern ermöglicht, ihre Interessen schnell und effizient zu wahren. Die vermeintlichen Rechtsverletzer sollten sich auf ein Garantiesystem verlassen können, dass von den Antragstellern der Grenzmassnahmen, z. B. den Rechtinhabern, vorgegeben ist, was sicherstellen würde, dass diesen jegliche Schäden erstattet würden, sofern die Durchführung der Grenzmassnahmen zu keiner Feststellung einer Rechtsverletzung führt.