Protection of the property within the territory or across the border has equal significance. Laws of property are intended to protect owners of property against a variety of unlawful uses by the third parties. These laws include laws dealing with corporeal property and incorporeal or intangible property. Intellectual property comes under the later category. One of the objectives of making or manufacturing goods is trade and trade includes international trade also. In recent times, it is seen that international trade in pirated works and counterfeit goods is increasing at an alarming rate, causing substantial loss to the rights owner and the government. Thus, traditional customs laws need fortification. Similarly, intellectual property rights (IPR) dealing with copyright, patents and trademarks require introduction, substitution or amendment of new rules. These measures would enhance efficacy of existing regulations thereby enabling the authorities to arrest illegal trade across the border. This study is an analysis of the protection of IPR under the customs laws and IPR legislation. Global perspectives and the new Customs Rules of 2007 are also discussed.

Keywords: Importation, TRIPS, IPR (IG) Rules, intellectual property, counterfeit goods, pirated works

The economic and trade policies of independent nations with regard to goods or services have acquired international dimensions. At the same time illegal trade in products which enjoyed intellectual property protection, has developed as an off-shoot. This trade which is generally known as ‘piracy’ (unauthorized reproduction for commercial purpose) is growing at an alarming rate and causing a loss of billions of dollars to the nations around the world including India. Adoption of intensive rules and regulations to check illegal practice was felt to be a priority step to protect not only lawful owner but also of the government that suffers revenue loss due to tax evasion.

The customer’s interest is also at jeopardy as he is often deceived and dissatisfied due to the counterfeit products. Intellectual property laws especially, copyrights and trademarks entitle the IPR owner to take both civil and penal actions against the unscrupulous persons involved in the illegal trade. Legal remedies for enforcement of rights in a court of law no doubt are appropriate way of protecting IPR owners but in case of international trade where goods cross the national boundaries, the very prevention of infringing goods from entering the national territories or confiscation of such goods may be considered as an effective remedy. Though administrative in nature, the remedy proved to be effective in arresting dissemination of infringing goods into commercial channels of the state.

Recently, Government of India has amended the Customs Act, 1962 and also notified the IPR (Imported Goods) Enforcement Rules, 2007, in order to fortify the legal frame work related to IPR and customs laws. In addition to remedies under IPR laws simultaneous enforcement through custom authorities makes the remedy more meaningful.

In this paper, nature and scope of remedy under IPR laws and Customs Act are studied and international perspectives, especially the concerned provisions under TRIPS are also discussed briefly. There is a discussion on the recently notified IPR Customs Rules and the Copyright Bill introduced in the Parliament that suggests an amendment to the concerned provision dealt under the Copyright Act.

IPR deals with the ideas and expressions that are the products of human intellect. By providing a status of property, the originators of these ideas and expressions enjoy the status of an owner as in the
case of other kinds of property. Subject to exceptions and limitations, IPR provide exclusive rights to exploit his creations and innovations. For instance, law of copyright entitles authors of literary and artistic works with a variety of rights which depends upon the nature of the work. Similarly, trademarks law entitles the proprietor to use the mark in relation to goods. Patents Act allows the patentee to exercise his rights in relation to his inventions. Designs Act permits the design owner to enjoy exclusive rights in relation to appearance of a product. Similarly, the Geographical Indications Act confers exclusive rights to the producers or the authorized user to use a particular mark in relation to goods in respect of which the GI is registered.

Infringement of IP rights takes place when there is an unauthorized reproduction, use, sale or offer for sale, display, distribution or importation of protected works or unauthorized use or making of inventions or use of similar or deceptively similar mark in relation to same goods or services or false application or falsification of marks that causes confusion to the customers. The rights guaranteed by IP laws to the creators or inventors entitle these intellectuals to take legal action against any person for violation of their rights and claim remedies provided under various provisions. The act that constitutes violation or infringement of IPR is dependent upon the nature of the intellectual property involved. For instance, infringement of copyright takes place when there is an unauthorized reproduction, communication or other specified acts. Patents rights are infringed when there is an unauthorized use, sale or distribution or import of the patented product or unauthorized use of patented process or making products by using the patented process. Similarly unauthorized use of similar or deceptively similar marks on goods or unauthorized application of GI on goods amounts to infringement of rights in trademarks or GIs.

Remedies for IPR violation includes civil remedies in the form of injunction, damages, accounts for profits, delivery of infringing material and under penal remedies (in case of copyrights and trademarks) a fine of up to two lakhs (Rs 2,00,000) and imprisonment up to three years may be imposed. In addition to this, administrative remedies in the form of seizure and confiscation of counterfeit or pirated goods by the customs authorities are also available.

**Enforcement of IPR**

Enforcement of IPR may be divided into two categories: Territorial enforcement and enforcement at border.

**Territorial Enforcement**

A civil or criminal action for violation of copyright or trademark may be initiated against producers, distributors, wholesalers, retailers or even against the consumers in a District Court or a Magistrate Court having jurisdiction.

** Enforcement at Border**

Goods arriving at the border are of two types. One that is intended to be used within the territory and the others are the goods in transit/transshipment, having destination to other countries. Customs clearance is required in either cases and in this process customs authorities are empowered to seize or confiscate goods for various reasons including counterfeiting and piracy. Confiscation/seizure of these goods may be effected either at the instance of owner of original goods or by the customs authorities at their own instance having suspicion and reasonable cause. Though international conventions (Paris Convention and TRIPS) do not allow confiscation of goods in transit or transshipment, Indian laws authorize the customs authorities to exercise their powers in either of the cases.

The significance of border measures is that it can be exercised against imports from all the countries irrespective of whether it is a party to any international convention or treaty. As all the countries are not party to the international conventions, border enforcement measures will enable the right holders to obtain cooperation of customs administration so as to prevent release of infringing imports into free circulation.

**Enforcement under the Customs Act**

Government of India under Section 11 of the Customs Act is empowered to prohibit importation and exportation of goods of specified description, if it deems necessary to do so. The provision, inter-alia, empowers the government to prohibit the import or export of goods for ‘the protection of patents, trademarks and copyrights’. The goods imported in contravention of the provisions of the Customs Act or any other law for the time being in force is liable to be confiscated. Import is defined as ‘bringing into India from a place outside India’. The Act empowers a
proper officer of customs to effect seizure of goods, documents and things if he has reasons to believe that the goods are liable to be confiscated under the provisions of the Act. Further, custom officer is authorized to seize any document or thing which in his opinion will be useful for, or relevant to, any proceeding under the Act. In this regard, the customs officer is empowered to inspect any premises, conveyance, x-ray any person and effect search and seize in case where they have reasons to believe that the goods are of contraband nature. They can also investigate or interrogate a person and arrest him. In addition to confiscation, penalty in the form of fine is also stipulated. It is to be noted that no confiscation can be made without serving a proper notice in writing and providing the owner of the goods an opportunity to make representation. In case there is a failure to serve such a notice within six months from the date of seizure of goods, the goods shall be returned to the person from whose possession they were seized. It is provided under the Act that on confiscation the property vests in the Central Government. Appeals against the order of the customs officer other than chief customs officer may be made to the Collector of Customs within three months from the date of the communication of such order. An appeal against the order of the collector can be made to the appellate tribunal.

Customs Act is not a Bar for an Action under any other Law

It is specified that an order for any confiscation or penalty under the Customs Act by an officer of custom shall not prevent the infliction of any punishment to which the person affected thereby is liable under the provisions of Customs Act or under any other law.

Enforcement under the Copyright Act

Under Section 53 of the Copyright Act, the Registrar of Copyright (ROC) after making such enquiries as he deems fit, may make an order that copies made out of India of a work which if made in India would infringe copyright, shall not be imported. Similar to a power under Customs Act, the ROC or any person authorized by him is empowered to enter any ship, dock or premises where such copies may be found and examine such copies. All copies of a work in respect of which an order is made prohibiting their import are deemed to be goods, the import of which is prohibited or restricted under Section 11 of the Customs Act, 1962. Unlike in other cases where the confiscated material remains in the custody of the government, in this case it is to be handed over to the owner of the work if an application in this regard is made.

In case of trademarks, if the chief customs officer, upon representation made to him in respect of any goods imported into India, has reasons to believe that the goods bear a false trademark, he may require the importer of goods or his agent to produce any document in his possession relating to the goods and also to furnish information as to the name and address of the person by whom the goods were sent in India.

Unlike the Custom Act, where the custom authorities are empowered to take a suo-motu action, under Copyright Act, the action is not initiated unless the owner of copyright in any work or his duly authorized agent makes an application along with the prescribed fee to ROC for making an order for prohibiting the importation of infringing copies of the work. The Registrar after receiving such application and after making such enquiry as he deems fit, may, order that such copy shall not be imported into India. The Registrar or any person authorized on his behalf may enter any ship dock or premises where such infringing copies may be found and may examine such copies.

Under Section 140 of Trade Marks Act, 1999, the proprietor or the registered licensee of a registered trademark may give notice in writing to the Collector of Customs to prohibit the importation of any goods if the import of the said goods constitutes infringement. Under either of the above two cases the goods would be confiscated in accordance with Section 111(d) of the Customs Act.

Under Section 72 of the Copyright Act, 1957, the person aggrieved by the final decision or order of the ROC may, within three months from the date of the order or decision, appeal to the Copyright Board. The decision of the Board is appealable to the High Court within three months.

Nature of the Remedies

There is a difference between an order made under Section 53 of the Copyright Act and Section 11 of the Customs Act. The order made under the former is quasi-judicial in nature, while the order made under the latter is quasi-legislative. The quasi-judicial nature of the order under Section 53 is further emphasized by the fact that the order can be appealed to the Copyright Board.

Remedy is not a Bar to Civil and Penal Actions

The remedy under Section 53 of Copyright Act, 1957, is not a bar for filing suit or taking criminal
action for infringement of copyright by the owner. Under this Section, decision of the ROC, decides the fate of imported copyright material. Once it is decided that the material is infringing the copyright work, its confiscation is done according to the provisions of Customs Act, 1962. A further impact of the decision is that it entitles the copyright owner to take recourse to civil and penal action for the infringement of his rights and claim the respective remedies in accordance to the provisions of the Act. Thus the remedy provided under Section 53 is administrative in nature and the owner cannot be prevented to knock the doors of court for a civil or penal action.18

Judicial Interpretation

Supreme Court’s concern for the protection of intellectual property contained in the products that are imported or are in transit and the interpretation of concerned provisions under the Copyright Act and the Customs Act were the issues for discussion in Gramophone Company of India v Birendar Bahadur Panday.19 The only reported case so far by the Apex Court proved to be a landmark judgment as far as Section 53 is concerned. Interpretation of the term ‘import’ within the ambit of Copyright Act is succinctly explained. To arrive at a positive and effective conclusion, the Court considered the impact of international conventions dealing with copyright protection and the bilateral treaties between India and Nepal.

The appellant company enjoyed the ownership of copyright in certain sound recordings. The appellant received information that a consignment of pre-recorded cassettes from Singapore arrived at Calcutta port by a ship and awaiting for its dispatch to Nepal (a land locked country). The consignment contained pirated copies of sound recordings in which the appellant owned copyright. Based on the information, the appellant sought the intervention of ROC under Section 53 of the Copyright Act, 1957. As the Registrar was not taking expeditious action, the appellant apprehended that before any action is taken, the pirated material would successfully cross the border. They filed a writ petition in the Calcutta High Court. The High Court issued an order directing the Registrar to proceed with the matter immediately in accordance to Section 53 of the Copyright Act, after carrying necessary investigation and hearing the parties. At the same time, the High Court required that the appellant should pay damages in case it is found that the cassettes held back do not infringe any provision of the Act. Against the order of single judge, the consignee preferred an appeal under Clause 15 of the Letters Patent and received a favourable decision. The Division Bench of the above High Court held that ‘the word ‘import’ did not merely mean bringing the goods into India but comprehended something more, that is, ‘incorporating and mixing, or mixing up of the goods imported with the mass of the property into local area’. As these activities did not follow, the Court gave a clean chit to the respondents. Aggrieved with the decision of High Court, the Gramophone Company preferred an appeal to the Supreme Court.

The Supreme Court provided a broader interpretation to the term ‘import’ and found respondents liable for infringement of appellant’s copyright. It held “the term ‘import’ in Sections 51 and 53 of Copyright Act, means bringing into India from outside India”, that it is not limited to importation for commerce only, but includes importation for transit across the country”. The Court further observed that such an interpretation is far from being inconsistent with any principle of international law and is entirely in accordance with the international conventions and the treaties between India and Nepal.

The Court discussed impact of the provision under Article 16 of the Berne Convention, 1886 (1971), which empowers the member countries to seize infringing copies of a work that enjoy copyright protection in such countries. Similarly, Article 2 of the Universal Copyright Convention also obliges member countries to provide adequate and effective protection to literary artistic and scientific works.20 Reference was also made to the Convention on Transit Trade of Landlocked States, 1965 to which both India and Nepal are parties and the bilateral Treaty of Trade and Treaty of Transit. On one hand, the main objectives of the Convention and the treaties is to recognize the needs of landlocked countries and ensure free and unhampered flow of goods needed and freedom of transit across the territory of India or through other member countries. While on the other hand, the reservations under the Convention (Article11) and the treaties (Article 10, Treaty of Trade, and Articles 8 & 9, Treaty of Transit) empowers the Member States to take measures to prevent infringement of industrial, literary and artistic property. Realizing the potential danger of the illegal traffic in protected works these international or
Regional agreements placed provisions concerning illegal trade in intellectual property at par with the provisions concerning narcotics, drugs and arms. Finally, the Court moved to study the concerned provisions of Customs Act and Copyright Act for finding exact meaning of the word ‘import’ and felt that there is no necessity to refer Customs Act when a clear meaning can be derived from the wordings of Section 53 of the Copyright Act. Under Section 53 ‘copies of work made out of India of a work which if made in India would infringe copyright, shall not be imported’ indicates that ‘import’ in the provision means bringing into India from out of India. In addition to this the Court referred Section 52 of the Copyright Act, dealing with the exceptions to the infringement of copyright and pointed out that bringing into India, an infringing work for the purpose of transit to Nepal or any other country is not one of the excepted acts. Based on these two provisions and the objectives and the laws as laid under the international conventions and treaties, the Court finally held that, mere bringing of goods into India from outside India amounts import of goods. It is immaterial that the goods are in transit or that it is not brought for commercial purpose. Recently, Delhi High Court, dealing with trademarks, directed the Collector of Customs to notify all ports to prevent any consignment other than that of plaintiff to be imported. Similarly, the Court in M/s IVES Laboratories v R B Agarwal imposed a blanket ban on the import of the counterfeit goods.

Global Perspectives of the Remedy

Protection under Paris Convention

The Convention, oldest in the field of industrial property obliges member countries to extend national treatment to the rights holders of other member countries in relation to the industrial property. Convention requires member countries to seize all the goods unlawfully bearing a trademark or trade name, if such mark or trade name is entitled to legal protection. The Convention directs that if the country lacks a provision on seizure, it may prohibit the importation of goods bearing trademarks unlawfully. These measures are equally applicable with regard to direct or indirect use of false indication of source of goods or identity of producer, manufacturer or the merchant. As unlawful application of marks or falsification of marks or false indication of source gives rise to unfair competition, the Convention mandated member countries to provide remedies in this regard also. However, it is made clear that the competent authorities shall not be bound to effect seizure of ‘goods in transit’. The seizure is to be carried out at the request of public prosecutor or any other competent authority or any interested party.

Remedy under the Berne Convention

Berne Convention, oldest in the field of literary and artistic works, contains a specific provision under which member countries are obliged to seize infringing copies of a work that enjoy legal protection. Such seizure may be enforced with regard to the goods coming from a country where the work is not protected. In fact, there is no other provision under this Convention providing a mechanism for enforcement of copyright.

Protection under Phonograms Convention

This Convention obliges member countries to protect the phonogram producers, who are nationals of other contracting countries against the unauthorized duplication, importation and distribution of duplicates to the public. The member states are free to choose any means under the domestic law for preventing or repressing the acts of piracy. The means of protection specified include protection through copyright or other specific right or, protection by means of the laws relating to unfair competition or protection by means of penal sanctions. This Convention like the above two conventions does not speak much about the enforcement aspects of the IPR violations.

Protection under WTO/TRIPS

One of the objectives of WTO/TRIPS was to eliminate or minimize the hurdles that prove to be barriers for legitimate trade among the member countries with the increase the volumes of international trade in goods and services. Protection of rights of owners of goods including IPR posed a great challenge before the international community. Meager provisions on the enforcement of IPR under the Berne and Paris Conventions, weak or absence of protection in many developing countries and abnormal increase in the incidence of piracy and trade in goods with counterfeit trademarks forced the industries of developed countries, especially, US, England and Japan to bring IPR within the GATT regime. These countries had a view that uniform protection of IPR including the protection of
substantive rights and rules of procedure for enforcement of rights would not only ensure an effective and efficient international protection in all countries but would also facilitate foreign direct investment and technology transfer. Much to the expectations of these countries WTO/GATT in 1994 included TRIPS Agreement to deal with IPR. The entire member countries are obliged to adopt various civil, penal and administrative measures to enforce IPR both within its territorial jurisdiction and at the borders where goods imported has to cross the national frontiers for trade. Special measures known as ‘border- measures’ require the contracting states to include elaborate provision for arresting the dissemination of goods at the entry point so that such goods does not enter into the main channels of commerce and cause irreparable loss to the interest of the true owner and pose danger for paralyzing the national economy.

The Border Measures

As per Article 51 of TRIPS Agreement, member countries shall adopt rules as provided hereunder to enable a right holder, who has valid grounds for suspecting that the importation of goods, with counterfeit trademarks, or pirated copyright goods may take place, to lodge an application for the suspension by the custom authorities of the free circulation of goods. Briefly, other rules that are framed under Article 57 to 60 of TRIPS are:

(i) Adequate evidence and identification of goods

As per Article 52, the rights holder desirous of initiating the procedure under Article 51 is required to provide adequate evidence to satisfy the customs authorities that there is prima facie an infringement of his copyright. He shall also supply a sufficiently detailed description of goods, to make them readily recognizable by the customs authorities.

(ii) Security or assurance to prevent abuse

As per Article 53, the customs authorities shall have power to require to applicant to provide a security or equivalent assurance sufficient to prevent the defendant and the competent authorities and to prevent abuse. However, such security or assurance shall not be of such a kind that it would unreasonably deter recourse to these procedures. While under Article 54, the importer and the applicant shall be promptly notified by the customs authorities.

(iii) Duration of suspension

Under Article 55, if within ten working days after the service of notice by the customs authorities, the applicant has not informed the customs authorities that proceeding leading to a decision on the merits of the case have been initiated (Particularly where this has to be done in a court and not before the same customs authorities), then the goods suspended shall be released. In other cases, the importer will have an opportunity, within a reasonable period of time, of being heard and of requesting a revocation or modification of the order.

(iv) Compensation for wrongful detention

Under Article 56, the customs authorities shall have a power to 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 good.

(v) Inspection of goods

Under Article 57, the right holder is to be given sufficient opportunity to inspect the goods detained by the custom authorities in order to substantiate his claim. The authorities shall also have the power to give the importer an equivalent opportunity to have such goods inspected. Where a positive determination is made on the merits of a case, the competent authorities shall have the power to inform the right holder of the names and addresses of the consigner, the importer and the consignee and the quality of goods in question.

(vi) ‘Suo motu’ initiatives

Under Article 58, member countries may include optional provision where under customs authorities may act upon their own initiative, without an application being required from the right holder and suspend the clearance of goods in respect of which they have acquired a prima facie evidence that IPR is being violated.

(vii) Remedies

Under Article 59, competent authorities i.e., the custom department or the Court should be empowered to dispose of or destroy the infringing goods, so that they do not enter into the channels of commerce. With regard to counterfeit trademarks in goods, the authorities shall not allow re-exportation of infringing goods in an unaltered state, except in exceptional circumstances. These remedies are
without prejudice to other rights of action open to the right holder, such as to obtain damages through civil litigation, and are also subject to the right of the defendant to seek review by judicial authority.

(viii) ‘De minimis’ import

Under Article 60, small qualities of infringing goods of non commercial nature contained in the personal baggage or sent in small quantities may be exempted from the purview of these border measures.

India’s Response to WTO/TRIPS

In order to achieve an effective and efficient control over the illegal international trade in IP products, India signed Customs Mutual Assistance Agreement with major trade partners. The Agreement establishes formal guidelines and allows officials to share intelligence and data related to intellectual property violations. Recently, India has notified the Intellectual Property Rights (Imported Goods) Enforcement Rules, 2007. The rules comply with border measures as required by the TRIPS Agreement empowering the Customs Officers to enforce IPR over the imported products. Actions under Custom’s Act are independent to the remedies provided under various statues on intellectual property. In this regard, it may be said that the interests of the right holder are enforced better under the new Rules. The Customs Act, 1962 gave limited powers to customs officers in respect of taking action against the cross border movement of counterfeit products. The official is authorized to take action only for infringement of trademarks or to prevent the import of infringing copies. As per Rule 2(b) of the Intellectual Property Rights (Imported Goods) Enforcement Rules, 2007, the scope of intellectual property to include patents, designs, and geographical indications together with trademarks and copyrights has expanded. The rights holder irrespective of whether it is a patent, trademarks, copyright or geographical indications, has to give a notice in writing to Commissioner of Customs or any officer in a prescribed form along with a fee of Rs 2,000. A significant difference that can be observed under the Rules is that, unlike Customs Act, the notice must be on a prescribed form [Rule 3(1&2)] and must, inter-alia, carry the following documents:

(a) Proof of ownership;
(b) Grounds for the suspension of release of the goods allegedly infringing IPR;
(c) Details of consignment and prima facie evidence of infringement;
(d) Description of goods with sample, model or photograph of the genuine product; and
(e) Name of customs airport/ customs port/land customs port/ land customs satiation.

Another important feature is the registration of notice, if accepted within thirty days. The notice is valid for only one year (Rule 4). A TRIPS compliance i.e. indemnification of the importer, consignee and owner of goods by way of executing a bond is also required. This is required to save the above from frivolous or vexatious claim or for demurrage charge or towards the cost of suspension or suspension and release. Upon registration and examination, the goods alleged to be infringing intellectual property would be prohibited under Customs Act, 1962 and as such an order for suspension of clearance of alleged counterfeit goods would be made. Suo- motu action may also be undertaken if the department has prima facie evidence or reasonable grounds to believe that the goods are counterfeit. Suspension is effective for maximum of 20 days and for 3 days in case, the goods are perishable. If the rights holder fails to join the proceedings during this period, the goods will be released. However, if within 10 days or within the extended period, the rights holder or other authorized person joins the proceedings and the Deputy Commissioner or Assistant Commissioner of Customs, as the case may be, having reasons to believe that the goods are infringing IPR and liable to confiscation under Section 111 (d) of the Customs Act, may seize the same under Section 110 of the Customs Act. Goods infringing IPR that are detained, seized and confiscated where no legal proceedings are pending in relation to such determination, are destroyed or disposed by customs department after obtaining ‘no objection’ certificate from the rights holder. De–minimis clause as provided under TRIPS also finds a place under the Rules. In addition to this, a rule of defense in the interest of customs officials following customs procedure and acting in good faith but having failed to detect goods infringing IPR or inadvertently releasing such goods is also provided.

Equipped with the powers of adjudication provided by the Rules, 2007 customs department for the first time in July 2008 ordered absolute confiscation of counterfeit goods. Importers, M/s Women World Jewels Pvt Ltd, and M/s Impac Enterprises, imported consignment containing cosmetics, gift items etc.,
bearing registered trademarks ‘Nivea’, ‘Dove’, ‘Sunsilk’ and ‘L'Oreal’. Commissioner of Customs noted that the act of importing into India and/or market these goods in India without having any authorization from the manufacturers, amounted to infringement of rights of right holders and thus prohibited the importer from importing the goods. It ordered absolute confiscation of the imported goods and also imposed penalty on the importer. The most recent order of confiscation was passed in December 2008 against M/s P S Grover and Sons for importing cosmetic and toiletries products of registered trademark ‘L’Oreal’ and ‘Garnier’ for importing without having obtained authorization from registered trademark owners M/s L’Oreal and M/s Laboratoire Garnier & CIE. The Customs Department not only ordered confiscation of imported goods but also imposed huge penalty of Rs 25,000 on importer and also Rs 5,000 on partner of importer.

Conclusion

Inspite of digital storage and transmission of copyright works and e-marketing of goods that has seen a promising growth of international trade, it is found that illegal trade including trade in intellectual property has risen simultaneously. This has a monetary impact on the right holder and the government. In addition to this, many such spurious products are capable of causing health hazards and the products bearing false trademarks or bearing false certification raise the question of safety of innocent public. The rules and regulations under Customs Act and IPR laws are intended to arrest the import of false products and save the right holder, the government and the consumers. The recently notified rules [ IPR (Imported Goods) Rules, 2007], on the lines of legislation drafted by Geneva based World Customs Organization, may definitely be said as a timely action by the Government of India that would strengthen existing customs provisions and provide better IPR protection on borders.

Both Trademark and Copyright Act possess certain provisions in this regard. The provision under the Copyright Act enables the copyright owner to take steps to prevent dissemination of illegal copies of the work through international borders. However, the procedure is lengthy and time consuming and is subject to making an application to ROC, who has to conduct an enquiry and examination and pass an order accordingly. If the order passed by ROC certifies that the goods are infringing copies of a work then the goods would be deemed as goods, the import of which is prohibited or restricted under Section 11 of the Customs Act, 1962. It is only then the customs authorities come to the scene and confiscate the illegal copies as prohibited goods under Customs Act. The remedy which is administrative in nature needs to be reviewed. By the time the owner makes application to ROC at Delhi and his visit to ship, dock, etc., which is in other corner of the country for asking an enquiry and examination, the goods, may find their way to local market. Hence, the owner should be allowed to make a request directly to the customs authorities. Custom authorities may also be authorized under the Act to take a suo-motu action in this regard and inform the ROC or the copyright owner. It is an additional burden on customs authorities but bearing a little inconvenience to save the national economy and reputation, it may be said that it is a step in the right direction. The measures taken under the International Convention with regard to this remedy may be considered as a sincere effort made for the protection of intellectual property.

Recently, a bill was introduced in the Parliament (Copyright Amendment Bill, 2006) that seeks to amend various provisions including Section 53 of the Copyright Act. The bill proposes to eliminate the necessity of making an application to the ROC. Instead, affected party is required to directly serve a notice to the Commissioner of Customs. Further, complainant is required to deposit security for the indemnification of the importer, in case the complaint turns out to be false. Infringing copies under this provision are to include not only copies of works but also the copies of performances in such work. Notice of detention is to be served to both the parties and if the person serving notice does not produce any order from a court having jurisdiction as to the temporary or permanent disposal of such goods within fourteen days from the date of their detention, release the goods and they shall no longer be treated as prohibited goods. It may be said that shall these proposed changes be suggested to make the Indian law on border measures in conformity with the TRIPS provisions. It may be further pointed out that there is no express provision under the Patents Act or under the Designs’ Act or under the Geographical Indications (GIs) of Goods Act, that empowers the competent authorities to seize or confiscate the products that are imported in violation of patents rights, designs rights or protected GIs.
As such, it is suggested that an amendment on the lines of IPR (Imported Goods) Rules, 2007, or a reference with regard to enforcement under the Customs Act be made. In additions to custom rules and regulations and IPR laws certain other measures are needed to be undertaken. These include establishment of fast track courts especially to deal with the issues of customs violations, allocation of special funds to fight piracy, constituting of marine police stations, training of customs officials that would equip them with various aspects of IPR violations and would enable them to differentiate between genuine and fake products. A further suggestion in this regard is the constitution of IPR Cell in each Customs House with specific functions. Such measures would not only make these officials more dynamic but would enable them to take proper steps to curb the illegal trade taking place at the border at the earliest. Adequate and effective IPR laws and its efficient enforcement would also earn a good reputation to our country among international market that would ultimately lead to increase in foreign trade and investment and would also facilitate to acquire technical know-how.

References
2. Except under the specified exception, the first owner under copyright law is the author, Section 17, Copyright Act, 1957. However, the Patents Act, 1970 or its recent amendments (1999, 2002, 2003 & 2005) lack such an expression provision. A person whose name is entered in the register as a patentee or as an assignee enjoys all the exclusive rights with regard to the patented invention. The situation is similar with regard to the proprietor of a trademark under the earlier Trade and Merchandise Marks Act, 1958, or the Trade Marks Act, 1999.
3. Sections 2 [Clause (w) r /w] & 13, Copyright Act, 1957; Section 28, Trade Marks Act 1999; Section 48, Patents Act, 1970; Section 22(2), Designs Act, 2000; and Section 21, Geographical Indications Act, 1999.
4. Section 51, Copyright Act, 1957; Section 48, Patents Act, 1970; and Section 29, Trade Marks Act, 1999.
8. Section 111(m), Customs Act, 1962; Gramophone Company of India v Birendra Bahadur Panday, AIR 1984 Supreme Court, 667.
10. Section 110(3), Customs Act, 1962. Any document or thing in this context includes any object including infringing copies which the customs authorities believe as relevant for the purpose of presenting evidence in the court of law.
11. Sections 100-109, Customs Act, 1962.
15. Section 140(1), Trade Marks Act, 1999.
16. The knowledge of ROC about infringing copies is not implied but is based upon the information regarding proof of ownership, reasons for preventing importation, particulars of work and rights held, etc. and evidences in proof of infringement is to be supplied by the owner of copyright through an affidavit, in a prescribed form in accordance with Rule 22 and the filled in form VI of Schedule I of the Rules. Further, Rule 23 ROC or a person authorized by him has to act in collaboration of customs authorities.
20. Both international conventions, revised in 1971, seek to extend protection to authors of literary and artistic works in various member countries.
21. This is precisely how the term import is defined under Section 2(23) of the Customs Act.
22. CISA Co Ltd v Shrikant, 2005(31) PTC Del 53.
23. CS (OS) No 1940 of 2006, Del.
24. The Convention was convened in 1883 and amended several times the latest being in 1979.
25. National treatment is a principle which obliges each member country of the convention to extend same amount of protection to rights holders of other member countries as it offers to its own nationals.
26. Articles 9(i), 9(3-5), 10 & 10(bis), Paris Convention, 1883.
27. This convention was convened in 1886. The convention was amended several times the latest being in 1971. India acceded to the convention in 1998.
29. Phonogram Convention for the protection against unauthorized duplication of sound recordings, 1971. India is a member to this Convention.
33. The IPR (IG) Rules are made by the Central Government under the powers conferred by Section 156(1), read with Section 11(2)(n) and (4), the Customs Act, 1962; http://www.cbec.gov.in/customs.
34. A right holder is defined as a person or legal entity which according to laws in force is to be regarded as the owner of protected intellectual property right, its successor in title, or it’s duly authorized exclusive licensee as well as an individual, a corporation or an association authorized by any of the aforesaid persons to protect its rights. Rule 2(d), IPR (IG) Rules, 2007.
36. It may be observed that the international obligation under TRIPS and IPR (Import of Goods) Rules is recognized by the Indian Judiciary in Birendra Bahadur Panday case.
Rules 5, 7, 11 & 12, IPR (IG) Rules.


The WCO is an international organization representing 171 customs administrations with a mandate to undertake dialogue and exchange of experiences between national customs authorities. It is a significant provider of technical assistance to customs administrations. Recently, WCO has gone beyond its information exchange and technical assistance activities, with WCO Standards Employed by Customs for Uniform Rights Enforcement (SECURE) Working Group developing ‘Model Provisions for National Legislation to Implement Fair and Effective Border Measures Consistent with the TRIPS Agreement’. In fact, despite the above statement, far from being consistent with the TRIPS Agreement, the Model Provisions contain significant TRIPS-plus elements.

Item 21 of the proposed amendment Bill, www.copyright.gov.in.