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GOVERNMENT OF PAKISTAN
(REVENUE DIVISION)
FEDERAL BOARD OF REVENUE

Islamabad, the 16th March, 2017.

NOTIFICATION
(CUSTOMS)

S.R.O. 170 (I)/2017.- In exercise of the powers conferred by section 219 of the Customs Act, 1969 (IV of 1969), the Federal Board of Revenue is pleased to direct that the following further amendments shall be made in the Customs Rules, 2001, namely:-

In the aforesaid Rules, after Chapter XXVII, the following new chapter shall be added, namely:-

“CHAPTER XXVIII

Enforcement of Intellectual Property Rights

678. **Application.**— This chapter shall apply to imported goods only and shall not apply to parallel or grey market imports and de-minimis imports.

679. **Definitions.**— (1) In this Chapter, unless there is anything repugnant in the subject or context,—

- (i) "Act" means the "Customs Act, 1969 (IV of 1969);
- (ii) "applicant" means a person, including his duly authorized representative making an application on the form prescribed under these rules;
- (iii) "de-minimis" imports" means and refer to small quantities of goods of non-commercial nature contained in the travelers personal baggage or sent through post or any other means of transmission;
- (iv) "infringing goods" means any goods that are brought into the country in violation of the Copyright Ordinance, 1962 (XXXIV of 1962), the Trade Marks Ordinance, 2001 (XIX of 2001), the Patents Ordinance, 2000 (LXI of 2000), Registered Designs Ordinance, 2000 (XLV of 2000), Registered Layout-Designs of Integrated Circuits Ordinance, 2000 (XLIX of 2000) and section 15 of the Act;
- (v) "intellectual property rights" means the rights protected under the Copyright Ordinance, 1962 (XXXIV of 1962), the Trade Marks Ordinance, 2001 (XIX of 2001), the Patents Ordinance, 2000 (LXI of 2000), Registered Designs Ordinance, 2000 (XLV of 2000), Registered Layout-Designs of Integrated Circuits Ordinance, 2000 (XLIX of 2000) and section 15 of the Act;
- (vi) "intellectual property laws" means the laws specified in the schedule to the intellectual property organization of Pakistan Act, 2012 (XXII of 2012);

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- (vi) "Intellectual property organization of Pakistan" (IPO-Pakistan) means the intellectual property organization of Pakistan established under section 3 of the intellectual property organization of Pakistan Act, 2012 (XXII of 2012);
- (vii) "owner of goods" means an importer, including consignee or his duly authorized representative, who has imported infringing goods;
- (vii) "parallel or grey market imports" are non-counterfeit goods which carry genuine trademarks and are imported into the country without the permission and consent of the right holder or outside his specified distribution system, provided that all other conditions for importation have been complied with under the Act and other relevant laws;
- (viii) "person" means any natural or legal person and includes any association or body of individuals, whether incorporated or not;
- (ix) "recordation database" means the database maintained by the IPO-Pakistan, in respect of the right holders registered with them and is shared with the Directorate General of IPR (Enforcement) in real time; and
- (x) "right holder" means a natural or a legal person, including his successor in title, or duly authorized exclusive licensee as well as an individual, a corporation or an association authorized by any of the said persons to protect their Intellectual property rights.

(2) All other words and expressions used but not defined herein shall have the same meaning as defined in the Act and the intellectual property laws.

680. Application by the right holder for enforcement action.— (1) A right holder who has valid grounds for suspicion that imported goods are infringing his intellectual property rights protected under the Copyright Ordinance, 1962 (XIV of 1962) and the Trade Marks Ordinance, 200 (XIX of 2001), may, at the time of arrival of suspected goods at the notified customs station, make an application on the format set out in Annexure-A to these rules, to the Director, IPR (Enforcement) having jurisdiction, requesting for initiating enforcement action against such goods.

(2) For goods infringing the provisions of the Patents Ordinance, 2000 (LXI of 2000), Registered Designs Ordinance, 2000 (XLV of 2000) and the registered layout-designs of Integrated Circuits Ordinance, 2000 (XLIX of 2000), the right holder or the Collector of Customs, as the case may be, shall follow the same course of action as prescribed under these laws.

(3) The applicant, along with the application, shall submit all prescribed documents as well as a notarized undertaking on the format as set out in Annexure-B to these rules, indemnifying the Customs authorities against all liabilities.

(4) The applicant, at the time of filing an application, shall also submit a bank guarantee on the format as set out in Annexure-C, from a scheduled bank for an amount of Pak Rupees five hundred thousand or twenty-five per cent of the value of suspected infringing goods, whichever is higher, to cover possible compensation for the losses suffered by the owner of goods due to false application, and payment of expenses on account of investigation, warehousing, maintenance, disposal of goods, etc. incurred after detention by Customs.

(5) The Director, IPR (Enforcement) shall refuse to entertain an incomplete application and inform in writing the applicant of the reasons for such refusal.

681. **Action to be taken by the Directorate of IPR (Enforcement).**—(1) The Director, IPR (Enforcement), upon receipt of an application from the right holder, shall consult the recordation database, so as to verify particulars of the right holder.

(2) When the right holder has applied for enforcement action in accordance with the provisions of these rules, the Director, IPR (Enforcement), shall order for detention of the goods suspected to be infringing goods and notify the same in writing to the applicant as well as to the owner of the goods, asking them to join the proceedings.

(3) Upon joining the proceedings by both the owner of the goods and the right holder, the detained goods shall be examined jointly by an officer of Customs appointed by the Collector having jurisdiction and an officer of the Directorate General of IPR (Enforcement), in presence of both parties.

(4) Upon determination of the fact that the detained goods infringe the Intellectual Property Rights of the Right Holder, such goods shall be seized by the Directorate General of IPR (Enforcement), and the case shall then be forwarded to the concerned Collectorate of Customs having jurisdiction for adjudication, as per the procedure laid down under the Act or judicial authority, as the case may be:

Provided that the owner of the infringing goods may, at any time prior to the seizure thereof, voluntarily give consent in writing to the Director IPR (Enforcement) for the goods being forfeited, in favor of the Federal Government, and upon receipt of such consent, the Director IPR (Enforcement) shall order forfeiture of the infringing goods.

(5) The Director, IPR (Enforcement) to whom an application is made, shall ensure confidentiality of the information contained in the application, unless there is need of disclosure pursuant to any law of the country.

(6) In case a party to a proceeding willfully 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 officer conducting enforcement action shall have the power to make preliminary and final determinations, affirmative or negative, on the basis of information presented to him 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.

682. **Action on receipt of information from Customs.**—(1) An officer of Customs, having reasonable grounds to believe that the goods infringing the provisions of the Copyright Ordinance, 1962 (XIV of 1962), the Trade Marks Ordinance, 2001 (XIX of 2001) or section 15 of the Act have arrived at the Customs station of his jurisdiction, shall, with the prior approval of the concerned Additional Collector, inform in writing the concerned Directorate of IPR (Enforcement) for taking cognizance in accordance with these rules.

(2) Upon receipt of notice from the officer of Customs intimating about arrival of infringing goods at the Customs station, the Directorate of IPR (Enforcement) shall immediately consult the recordation database to determine as to whether or not, any right holder of infringing goods is registered with IPO-Pakistan.

(3) If the right holder of infringing goods is registered with IPO-Pakistan, the Director, IPR (Enforcement), shall issue him a notice intimating about arrival of infringing

goods at a Customs station and seeking right holder's consent to initiate enforcement action against the infringing goods.

(4) In case the right holder is desirous of initiating enforcement action against infringing goods brought at a Customs station, he shall submit an application along with notarized undertaking and bank guarantee, as prescribed under rule 680.

(5) Upon receipt of notice under sub-rule (4), the Directorate of IPR (Enforcement) shall proceed in accordance with rule 681.

(6) If the right holder does not opt for initiating enforcement action against the infringing goods, the Directorate of IPR (Enforcement) shall allow release of infringing goods and notify the same to the concerned Collectorate of Customs.

683. **Encashment of bank guarantee.**—Where bank guarantee submitted by an applicant under sub-rule (4) of rule 680 has been ordered to be en-cashed, the proceeds thereof shall be used as follows:-

- (a) first to pay the expenses incurred by the Customs on account of enforcement action;
- (b) then to pay the charges incurred on account of demurrage, detention, warehousing, etc.; and
- (c) the balance, if any, shall be refunded to the right holder.

684. **Insufficient security.**—If the bank guarantee submitted by the applicant right holder is not sufficient to meet expenses incurred as a result of the enforcement action taken by Customs under these rules and to cover the expenses as aforesaid, the differential amount shall be construed as a liability on the applicant, which shall be recovered from him under the provisions of section 202 of the Act.

685. **Disposal of infringing goods.**—(1) The infringing goods, upon confiscation or forfeiture shall be destroyed in accordance with the provisions of the Act.

(2) Re-exportation and local sale of counterfeit and pirated goods in any state, whether altered or unaltered or by subjecting them to a different customs procedure shall not be allowed.

(3) The Director IPR (Enforcement) or Collector of Customs having jurisdiction shall retain samples of counterfeit or pirated goods prior to their destruction or disposal, for a period of one year or during pendency of litigation or to display the same for informative or training purposes.

686. **Miscellaneous.**— Notwithstanding anything contained in these rules, the Director, IPR (Enforcement) or the Collector of Customs having jurisdiction may, in exercise of the powers conferred under section 15 of the Act, detain any goods for IPR infringement of health and safety standards.

APPLICATION

Part 1 – Details of person making application: -

Ibearing CNIC No:
 (Full name of signatory in BLOCK LETTERS)
 NTN No
 Right Holder Holding Power of Attorney
 Declare that

 (Full individual /company/business name and address in BLOCK LETTERS).....
 Is/are the Right Holder or authorized attorney or legal representative of the Right Holder.

Part 2a – Details of registered intellectual property right in question: -

<u>IPR Presentation 1</u>	<u>IPR Presentation 2</u>	<u>IPR Presentation 3</u>

IPR (Word/Logo/design) (attach presentation / photo):
 IPR Registration No Date: Class of Goods/services: H.S. Code: Description of Goods /services:

Recordation No: **Date:**(if already recorded)

Part 2b- Past history of recordation: -

1. Do you have any valid Recordation of a Registered IPR other than the current Application?
 Yes: No:
 If yes, then give details of the following: -
 Recordation No. and date (i)
 (ii)
 (iii)

2. Do you have any pending Recordation Application (s)? Yes No
 If yes then, then give details of the following:
 Application No. and date (i)
 (ii)
 (iii)

Part 3 – Description of goods to be covered: -

I request Customs to detain the following type(s) of goods that I have reason to believe is /are counterfeit / pirated /infringing. (Also specify any component parts of Counterfeit / infringing Goods, e.g., buttons, labels, packaging materials etc.)

S. No.	Description of goods	H.S. Code	Import	Origin
1.				
2.				
3.				

