

## **INTA Comments on the Intellectual Property Rights of Receipts of Imports: Rules of Implementation 2018**

### **Introduction**

The International Trademark Association (INTA) thanks the National Board of Revenue for the opportunity to provide comments on the draft “Intellectual Property Rights of Receipts of Imports: Rules of Implementation 2018” (hereinafter, “the Rules”).

INTA is a membership association of more than 7,200 companies and professional service firms from more than 191 countries. INTA’s total membership collectively contribute almost US \$12 trillion to global GDP annually. The Association’s member organizations represent some 31,000 trademark professionals and include brand owners from major corporations as well as small and medium sized enterprises, law firms and nonprofits. INTA undertakes advocacy work throughout the world to advance trademarks and related rights, and offers educational programs and informational and legal resources of global interest. INTA’s key objective is to support trademarks and related intellectual property (IP) to foster consumer trust, economic growth, and innovation.

According to the report titled *The Economic Impacts of Counterfeiting and Piracy* commissioned by INTA and the International Chamber of Commerce - Business Action to Stop Counterfeiting and Piracy (ICC-BASCAP), the global value of counterfeiting and piracy is expected to reach upwards of \$2.81 trillion by 2022.<sup>1</sup> Through INTA’s Anticounterfeiting Committee (ACC), the Association aims to increase the enforcement of anticounterfeiting procedures worldwide, through the evaluation of treaties, laws and regulations with respect to anticounterfeiting and enforcement. As customs officials are the first line of defense in preventing counterfeit products from reaching innocent consumers, INTA believes that customs should have the adequate tools to track and stop counterfeit shipments at the borders.

INTA appreciates your consideration of its comments on the “Intellectual Property Rights of Receipts of Imports: Rules of Implementation 2018.” This document was prepared by the Anticounterfeiting Committee and staff. If you have any questions or concerns, please do not hesitate to contact INTA’s Chief Representative- Asia-Pacific, Seth Hays at [shays@inta.org](mailto:shays@inta.org), or Advisor, Anticounterfeiting, Tiffany Pho at [tpho@inta.org](mailto:tpho@inta.org).

### **INTA Comments**

**Rule 2(C):** INTA would like to suggest that the words “copyright act” should be replaced with “copyright,” and the word “trademarked” should be replaced with “trademark.”

**Rule 3(i):** This section of the proposed Rules seems to have been inadvertently limited to “copyright” only, even though the purpose of the Rules is to protect rights holders against importation of goods violating copyrights, trademarks, patents and designs. Therefore, Rule 3 may be suitably amended to include the various forms of IP listed. INTA would like to suggest that Rule 3(iv) use the phrase “intellectual property right” instead of “copyright Act” and “period of validity” instead of “date of cancellation.”

**Rule 5(A):** As stated in INTA’s Board Resolution on “[Measures to Combat Trademark Counterfeiting](#),” INTA’s position is that governments should eliminate bond requirements imposed on trademark owners as a condition to processing counterfeiting cases by customs. When suspected goods are seized, rights holders must often furnish prima facie evidence of infringement while simultaneously furnishing a bond or security for the seized

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<sup>1</sup> <http://www.inta.org/Communications/Pages/Impact-Studies.aspx>

goods. Bond requirements can be extremely onerous on rights holders, especially on SMEs. Additionally, in section 5A as currently written, INTA notes that there are no guidelines to determine what the “appropriate amount” for a bond is, or which office will be tasked with determining how the bond amount will be calculated.

**Rule 11(ii):** Rule 11(ii) stipulates that “*all cost of late duty, confiscation, destruction, and any associated activities will be reimbursable by the rightholder*”. As mentioned in INTA’s Board Resolution on “Measures to Combat Trademark Counterfeiting,” governments should “take appropriate steps to reduce or eliminate the burdens on trademark owners of suffering costs of storage and destruction of counterfeit goods. Governments should also take appropriate steps to ensure that all counterfeit goods are compulsorily destroyed, definitively removed from channels of commerce, or disposed of with the rights holders’ consent where there is no health or safety risk.” Requiring rights holders to bear full responsibility of the costs of confiscation for goods which are deemed to be violating intellectual property rights can be burdensome for many brands.

**Rule 7:** INTA notes that Rule 7, regarding customs clearances, does not outline specific procedures for customs officers when determining whether the imported/seized goods are infringing. The absence of clear guidelines as to the procedures and applicable timelines for clearance creates a higher likelihood of extended proceedings and drawn out actions, costing customs officers and rights holders valuable resources and time. A similar issue has been noted in Bangladesh’s neighboring country of India where proceedings have been known to last many years due to unclear implementation guidelines.

#### **Additional Suggestions:**

In addition to the suggested modifications to the rules mentioned above, INTA would like to submit two additional items for consideration to the National Board of Revenue. The benefits of these two items are of particular importance as they aid stakeholders in ensuring efficient and updated information sharing and collaboration.

First, INTA would like to suggest that continuous training and capacity building for customs officials occur on a regular basis. Capacity building for officials on brand identification, IPR and IPR regulations could be helpful in connecting the public and private sectors and encourage information sharing between the two stakeholders. Continuous workshops and training sessions jointly conducted by rights holders in coordination with customs is crucial to ensure smooth and effective implementation of customs rules and regulations.

Finally, INTA would like to emphasize the importance that a recordation system has on stopping counterfeit products at the borders. With a recordation system, brand owners can record their trademarks with the local customs office and provide intellectual property rights information to officers to aid in the detection and seizure of counterfeit shipments crossing the borders. Brand owners can share information such as product photos, trademark registration numbers, name and identifying information of the owner, place of manufacture, and registered licensees. Brand owners could also provide product identification guides, common routes of transit for authentic goods, and known or suspected counterfeit sellers. This information would be useful for customs officers inspecting shipments at the borders in determining whether items are counterfeit or authentic. Additionally, a recordation system would provide a direct line of contact between customs officers and rights holders.

The recordation system should be linked with the trademark registration system so that trademarks newly registered at the Department of Patents, Designs and Trademarks (DPDT) can immediately be recorded at customs with the proper fees paid by rights holders who opt to record. This would help to increase the number of rights holders’ recordation with customs while reducing the administrative burden on trademark owners. The Rules should have a procedure for recordation of IPR with customs through an online portal or dedicated website to be available to customs officials at all ports. Electronic renewal of recordation should also be considered in order to ensure efficiency and convenience. INTA strongly recommends that a recordation system be implemented in Bangladesh as it is a best practice implemented in many other jurisdictions around the globe to combat counterfeits at the borders while encouraging consistent information sharing between stakeholders.