

## Protecting the Border

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Customs enforcement of intellectual property rights in China refers to the measures taken by Chinese customs according to the law preventing the import and export of infringing goods. It is a useful and effective way of protecting IP in China. Chinese customs comprises the General Administration of Customs of China (GACC) and local customs offices nationwide.

There are two modes of protection, namely “protection on request” and “protection *ex officio*”.

Protection on request refers to the measures taken to detain goods that are suspected of infringement following a request by an IP owner who applies, using articles 12, 13 and 14 of the Regulations on Customs Protection of Intellectual Property Rights of China, when such goods are found to be imported or exported.

A local customs office seizes the suspected infringing goods but does not investigate them, so the IP owner will have to file a lawsuit with the people’s court (the court of first instance) for a dispute to begin. If customs do not receive a notification for its assistance from the court within 20 working days from the date of the detention, they release the goods.

The IP owner must provide a security bond not exceeding equal value of the detained goods to customs. Customs will release the goods suspected of infringing a patent if the consignee or consignor, believing that his import/export goods have not infringed the patent, requests them to do so after providing customs with a security bond equivalent to the value of such goods. Protection on request is also called “passive mode of protection”.

Protection *ex officio*, according to article 16 of the Regulations on Customs Protection of Intellectual Property Rights of China, refers to the measures taken by customs when they find any imported/exported goods that are suspected of infringing IP that is recorded in the GACC. These measures include proactively suspending the customs clearance procedures, informing relevant IP owners and detaining the suspected goods if the owners request it and provide a security bond within three working days. Otherwise, customs release the goods.

If the right owner fulfils these requirements, customs should carry out an investigation and within 30 working days from the date of detention make a determination on whether the suspected infringing goods have infringed the IP.

The right owner may also ask a court for an injunction or to preserve the suspected infringing goods under detention before or after a lawsuit is filed. If customs do not receive notification for assistance from courts within 50 working days from the date of the detention and cannot determine infringement through an investigation, they release the goods.

If the consignee or consignor of the goods suspected of infringing a patent requests that customs release the goods and provides a security bond, they will release the goods. If infringement is determined, customs may confiscate and dispose of the infringing goods, and question and impose fines on the infringers.

*Ex officio* protection is also called “proactive mode of protection”. The amount of the security bond can be no more than RMB 100,000 (about \$16,000) and a general security bond can also be simultaneously required.

In practical terms, protection *ex officio* is preferred because it enables customs to take actions on their own initiative and the economic burden for right owners is lighter.

Having IP recorded with the GACC is a prerequisite for protection *ex officio*. Anyone, including local customs, has access to the online database of recordings. A foreign right owner must designate an entity within China’s territory to record its IP. The entity can be its affiliated agency in China or its representative Chinese firm.

IP rights eligible to be recorded with the GACC include the following:

- Trademarks (excluding service marks) approved for registration by the Trademark Office (CTMO); or internationally registered trademarks (excluding service marks) with a successful extension to China;
- Invention, design and utility model patents that have been granted by the State Intellectual Property Office of China (or formerly the Patent Office of China); and
- Copyright and related rights owned by citizens or organisations in member countries of the Berne Convention for the Protection of Literary and Artistic Works.

## **Recording rights**

Filing requirements for recording different rights are summarised below:

### **Trademarks**

- Relevant information about the trademark to be recorded;
- A copy of the applicant’s certificate of identity together with its Chinese translation;
- A colour scan of the certificate of the trademark registration or a colour scan of the proof of national registration or successful extension of an international registration to China; and/or a colour scan of the certificate of the recorded assignment if it has been completed; and/or a colour scan of the certificate of the change to the applicant’s name/address if it has been completed; and/or a colour scan of the certificate of renewal, if any; and
- A trademark specimen in electronic format.

### **Copyright**

- Relevant information about the copyright to be recorded;

- A copy of the applicant's certificate of identity together with its Chinese translation;
- A colour scan of the certificate of registration issued by the relevant copyright authority and photos of the work certified by the authority together with their Chinese translations; and
- A colour scan of other copyright documentation, if any.

### **Inventions**

- Relevant information about the patented invention to be recorded;
- A copy of the applicant's certificate of identity together with its Chinese translation;
- A colour scan of the certificate of registration for the patented invention; and
- A colour scan of the patent register if there is more than one year from the date of the patent grant's announcement to the date of the application to register the patent at customs, or if there are changes to the patent register.

### **Utility models**

- Relevant information about the patented utility model to be recorded;
- A copy of the applicant's certificate of identity together with its Chinese translation;
- A colour scan of the certificate of registration for the patented utility model;
- A colour scan of the patent register if there is more than one year from the date of the patent grant's announcement to the date of the application to register the patent at customs, or if there are changes to the patent register;
- A colour scan of the patent search report if the filing date or the priority date of the patent was before October 1, 2009 (not including this date); and
- A colour scan of the patent evaluation report if the filing date or the priority date of the patent was after October 1, 2009 (including this date).

### **Designs**

- Relevant information about the patented design to be recorded;
- A copy of the applicant's certificate of identity together with its Chinese translation;
- A colour scan of the certificate of registration for the patented design;
- A colour scan of the patent register if there is more than one year from the date of the patent grant's announcement to the date of the application to register the patent at customs, or if there are changes to the patent register;
- A colour scan of the patent evaluation report if the filing date or the priority date of the patent was after October 1, 2009 (including this date); and
- A colour scan of the figures of the design patent as published in the design patent gazette.

If an applicant entrusts a Chinese firm with applying for the recordation, an original power of attorney executed by the applicant should also be submitted.

The valid period for recording an IP with the GACC is ten years, counted from the date of approval by the GACC. If the remaining term of the IP is less than ten years from the date of approval by the GACC, the valid period for recording IP in the GACC ends when the IP expires.

## **Renewals**

Recording IP with the GACC can be renewed for another ten years without paying an official fee within six months before the GACC record expires. The renewal issue usually concerns trademark registration, because the term of a registered trademark is ten years from the date of its registration with the (CTMO) and is renewable for ten-year periods.

An application to renew a trademark registration can be filed with the CTMO within 12 months prior to the expiry of the trademark registration. When applying to renew a recorded trademark with the GACC, a right owner must submit a copy of the certificate of the renewed trademark issued by the CTMO.

Without providing it before the expiration date, the customs renewal shall fail and the right owner must re-file the application for recordation and pay the official fee again. To avoid it, trademark renewal should be attended to much earlier than customs renewal.

This article is co-authored by Mr. Xiang Gao and Mr. Stephen Yang.

### **Bios:**

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