CHAPTER 488

ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS (REGULATION) ACT

To regulate the enforcement of intellectual property rights.

12th December, 2006

ACT XX of 2006.

1. The short title of this Act is the Enforcement of Intellectual Property Rights (Regulation) Act. Short title.

PART I

GENERAL

2. In this Act, unless the context otherwise requires - Definitions.

"competent court" and "Court", unless otherwise prescribed by regulations made under this Act mean the Court that is competent to take cognizance of a case according to the rules established in the Code of Organization and Civil Procedure; Cap. 12.

"intellectual property rights" means those rights accorded under the Copyright Act, the Trademarks Act and the Patents and Designs Act, or any other law which may from time to time substitute the said Acts and "relevant legislation" shall be interpreted accordingly; Cap. 415. Cap. 597. Cap. 417.

"the Minister" means the Minister responsible for intellectual property.

3. The following persons shall, in addition to all other means provided by law for the enforcement of their intellectual property rights, be entitled to avail themselves of the measures, procedures and remedies provided by this Act: Persons entitled to avail themselves of the measures, procedures and remedies provided by this Act.

(*a*) any person who in accordance with the provisions of any applicable law is the holder of an intellectual property right;

(*b*) any person who is authorised to use an intellectual property right and, in particular, any person who is a licensee of such right;

(*c*) recognised collecting societies; and

(*d*) professional defence bodies which are regularly recognised as having a right to represent holders of intellectual property rights.

4. (1) Any person whose name appears on a literary or artistic work in a manner that is usual for indicating a person as the author of the work shall, in the absence of proof to the contrary, be considered as the author thereof and such person shall be entitled to avail himself of the measures, procedures and remedies provided by this Act. Presumption of authorship or ownership.

(2) The provisions of subarticle (1) shall apply *mutatis mutandis* to the holder of rights related to copyright with regard to their protected subject matter.

PART II

EVIDENCE

Evidence.

5. (1) Any person who is entitled to avail himself of the provisions of this Act may file an application in the competent Court requesting a Court order to the effect that evidence which is in the control of an opposing party be presented in Court by the opposing party, subject to the protection of confidential information:

Provided that for a person to be entitled to avail himself of the provisions of this article he shall, together with the application, file reasonably available evidence sufficient to support his claims. For this purpose a reasonable sample of a substantial number of copies of a work or any other protected object shall be considered to constitute reasonable evidence.

(2) In the case of an infringement of intellectual property rights committed on a commercial scale, the Court may, under the same conditions stipulated in subarticle (1), order the communication to the applicant of banking, financial or commercial documents under the control of the opposing party, subject to the protection of confidential information.

Measures preserving evidence.

6. (1) The competent Court may, even before the commencement of proceedings on the merits of the case, upon an application by a person who has filed reasonably available evidence to support his claim that his intellectual property right has been infringed or is about to be infringed, order such prompt and effective provisional measures as it considers appropriate to preserve relevant evidence in respect of the alleged infringement, subject to the protection of confidential information. Such measures may include the detailed description, with or without the taking of samples or the physical seizure of the infringing goods and, in appropriate cases, the materials and implements used in the production and, or distribution of the said goods and the documents relating thereto. The competent Court may also, if it considers it necessary, order that such measures be taken without the other party having been heard, in particular where any delay is likely to cause irreparable harm to the rightholders or where the Court considers that there is an evident risk of the evidence being destroyed.

(2) When measures to preserve evidence are adopted without the other party having been heard, the parties affected shall be given notice without delay after the execution of the measures. A review, including a right to be heard by the Court, shall take place upon request by application of any of the parties affected with a view to deciding, within a reasonable period after the notification of the measures, whether the measures shall be modified, revoked or confirmed.

(3) In pursuing his demand for measures to preserve evidence, the applicant shall lodge in Court such security or assurance intended to ensure compensation for any prejudice suffered by the other party, as provided in subarticle (5), as the Court may order.

(4) Measures to preserve evidence shall be revoked by the Court upon the request made by application of the person against whom such measures were taken, without prejudice to the damages which may be claimed, if the applicant at whose instance such measures were taken fails, within thirty-one days from the issuing of such measures, to institute proceedings leading to a decision on the merits of the case before the competent Court.

(5) Where the measures to preserve evidence are revoked, or where they lapse due to any act or omission by the applicant or where it is subsequently found that there has been no infringement or threat of infringement of an intellectual property right, the competent Court may order the applicant, upon the request of the person against whom such measures are directed, to provide such person with appropriate compensation for the damages caused by those measures as may be liquidated by the Court.

(6) In considering cases and applications made in terms of this Act, the competent Court may also take such measures as it may consider appropriate for the purpose of protecting the identity of witnesses, subject to respect for the right to a fair trial.

(7) In the course of proceedings involving an application for measures to preserve evidence, the Court shall take any measures that it deems necessary to protect the identity of witnesses.

Right of information.

7. (1) During proceedings concerning an infringement of an intellectual property right the Court may order, on a request by the claimant to this effect made by application which the said Court deems to be justified and proportionate, that information on the origin and distribution networks of the goods or services which infringe an intellectual property right be produced before it by the infringer and, or any other person who -

(*a*) has been found in possession of the infringing goods on a commercial scale;

(*b*) has been found to be using the infringing services on a commercial scale;

(*c*) has been found to be providing on a commercial scale services used in infringing activities; or

(*d*) has been indicated by any of the persons referred to in paragraph (*a*), (*b*) and (*c*) as being involved in the production, manufacture or distribution of the goods or the provision of the services.

(2) The requested information referred to in the preceding subarticle shall, wherever appropriate, comprise:

(*a*) the names and addresses of the producers, manufacturers, distributors, suppliers and other previous holders of the goods or services as well as the intended wholesalers and retailers;

(*b*) information on the quantities produced, manufactured, delivered, received or ordered, as well as the price obtained for the goods or services in question.

(3) The preceding subarticles shall apply without prejudice to any other statutory provisions which -

(*a*) grant the rightholder rights to receive fuller information;

(*b*) govern the use in civil or criminal proceedings of the information communicated pursuant to this article;

(*c*) govern responsibility for misuse of the right of information; or

(*d*) afford an opportunity for refusing to provide information which would force the person referred to in subarticle (1) to admit to his or her own participation or to that of close relatives in an infringement of an intellectual property right; or

(*e*) govern the protection of confidentiality of information sources or the processing of personal data.

PART IV

PROVISIONAL AND PRECAUTIONARY MEASURES

Measures to be taken by the Court.

8. (1) Any person referred to in article 3 may by application request the Court to -

(*a*) issue against the alleged infringer of an intellectual property right a decree intended to prevent any imminent infringement of such intellectual property right, or to forbid, on a provisional basis and subject, where appropriate, to a recurring penalty payment where provided for by law, the continuation of the alleged infringements of that right, or to make such continuation subject to the lodging of guarantees intended to ensure the compensation of the rightholder. An interlocutory injunction may also be issued, under the same conditions, against an intermediary whose services are being used by a third party to infringe an intellectual property right;

(*b*) order the seizure or delivery up of the goods suspected of infringing an intellectual property right.

(2) Where an infringement of an intellectual property right has been committed on what is deemed by the Court to be a commercial scale it may, if the plaintiff demonstrates the existence of circumstances likely to endanger the recovery of damages, order the precautionary seizure of the movable and immovable property of the alleged infringer, including the blocking of the same infringer's bank accounts and other assets. Moreover, the Court shall have the power to order the communication of bank, financial or commercial documents, or demand appropriate access to the relevant information, as it deems fit.

(3) In respect of the measures referred to in subarticles (1) and (2), the Court shall have the authority to require the applicant to provide any reasonably available evidence so as to be reasonably satisfied that the applicant is the rightholder and that his right is either being infringed or is in imminent danger of being infringed.

(4) In appropriate cases, and particularly where it deems that any delay would cause irreparable harm to the rightholder, the Court shall take the measures mentioned in subarticles (1) and (2) without first hearing the defendant. In such an event, the parties shall be so informed without delay and in any case not later than immediately after the measures have been executed:

Provided that the defendant shall have the right to request the Court by application to review the measures above referred to with a view to deciding, within a reasonable time after notification of the measures, whether such measures should be modified, revoked or confirmed.

(5) If the applicant does not within thirty-one calendar days institute proceedings leading to a decision on the merits of the case before the competent Court, the Court shall upon a request by the defendant proceed to revoke the provisional measures mentioned in the preceding subarticles.

(6) The Court may, on according the provisional measures mentioned above, require the applicant to lodge adequate security or an equivalent assurance intended to ensure compensation for any prejudice suffered by the defendant as provided for in subarticle (7).

(7) Where the provisional measures mentioned above are revoked by the Court, or where they lapse due to any act or omission of the applicant, or where the Court subsequently concludes that there has been no infringement or threat of infringement of an intellectual property right, the Court shall have the power to order the applicant, upon a request by application of the defendant, to provide the same defendant with appropriate compensation for any injury that he may have suffered on account of such measures.

PART V

MEASURES RESULTING FROM A DECISION ON THE MERITS OF THE CASE

Corrective measures.

9. (1) At the request of the applicant and without prejudice to any damages due to the rightholder by reason of an infringement of an intellectual property right, the Court may order the taking of any measures it shall deem appropriate with regard to goods that are found to be infringing an intellectual property right and also with regard to any materials and implements used in the creation or manufacture of such goods. Such measures shall include:

(*a*) recall from circulation within the channels of commerce;

(*b*) definitive removal from circulation within the channels of commerce; or

(*c*) destruction of the items.

(2) The Court shall order that such measures be carried out at the expense of the infringer, unless particular reasons are invoked for not doing so.

(3) In considering a request for corrective measures, the Court shall seek to strike a balance of proportionality between the seriousness of the infringement and the remedies ordered whilst taking into account the interests of third parties.

Injunctions.

10. (1) Where the Court finds that an infringement of an intellectual property right has occurred, it may on an application by the plaintiff issue an injunction against the infringer aimed at prohibiting the continuation of the infringement. Failure to abide by the injunction shall constitute contempt of Court.

(2) The application referred to in the subarticle (1) may also be made in respect of intermediaries whose services are used by a third party to infringe an intellectual property right, without prejudice to article 42 of the Copyright Act.

Cap. 415.

Alternative measures.

11. In cases where the measures laid down in Part V of this Act may be applied, it shall be within the discretion of the Court, on an application by the person liable to such measures, to refrain from applying the said measures and order instead the payment of pecuniary compensation to the injured party if it is of the opinion that the infringer involved has acted unintentionally and without negligence, if execution of the measures in question would cause the infringer disproportionate harm and if pecuniary compensation to the injured party appears reasonably satisfactory.

PART VI

DAMAGES

Damages.

12. (1) The Court shall on an application filed by the injured party, order any infringer who has, either knowingly or being reasonably expected to know, engaged in an infringing activity, to pay the rightholder damages commensurate with the actual prejudice suffered by the said rightholder as a result of the infringement.

(2) In setting the amount of damages due, the Court shall take into account all relevant aspects, including all the negative economic consequences that may have been suffered by the injured party including lost profits, as well as any unfair profits made by the infringer and, where it deems appropriate, other elements such as the moral prejudice caused to the rightholder by the infringement:

Provided that instead of the above method of calculation of damages, the Court may, where it so considers appropriate, choose to apply an alternative method of calculation involving the setting of a lump sum of damages payable which shall include elements such as at least the amount of royalties or fees which would have been due had the infringer requested authorisation to use the intellectual right in question.

(3) Where the Court is of the opinion that the infringer did not knowingly engage in infringing activity, it may order the recovery of profits or the payment of damages, as may be pre-established in regulations made under the relevant legislation.

PART VII

MISCELLANEOUS

Legal costs.

13. In an action pursuant to any provision of this Act, the Court shall as a general rule decree that the judicial costs and other expenses incurred by the successful party be borne by the unsuccessful party unless it considers that equity otherwise requires.

Publication of judicial decisions.

14. The Court may, at the request of the applicant and at the expense of the infringer, order appropriate measures for the dissemination of the information concerning the decision, including displaying the decision and publishing it in full or in part. The Court may also provide for other additional publicity measures which it considers appropriate to the particular circumstances, including prominent advertising.

Power to make regulations.

15. The Minister may make regulations for the better implementation of the provisions of this Act and, without prejudice to the generality of the foregoing, may by such regulations:

(*a*) prescribe anything that may be prescribed under this Act;

(*b*) extend the categories of persons entitled to avail themselves of the measures, procedures and remedies provided by this Act;

(*c*) prescribe time limits for the exercise of any action under this Act;

(*d*) determine methods for the evaluation of damages due under this Act;

(*e*) establish specific rules of procedure or of evidence in respect of actions under this Act;

(*f*) determine the Court or Courts which are to take cognizance of actions under this Act;

(*g*) prescribe measures for the purpose of complying with any international obligations of Malta or with any obligations of Malta as a Member State of the European Union on matters related to this Act.