

COUNTERFEIT GOODS UNDER MALTESE LAW

This month, as part of *Lawyer Monthly's* Intellectual Property Law Series, we benefit from an exclusive insight from Sharon Azzopardi and Nicholas Trapani Galea Feriol, associates at Camilleri Preziosi, a Maltese law firm. Here they discuss the issues surrounding counterfeit goods under Maltese law.

The effective protection of intellectual property ("IP") rights and consumers from counterfeit goods continues to be a great challenge within Malta which, given its geographic location within the Mediterranean and Europe, plays an important role in combating counterfeit goods arriving within Malta, particularly through transshipment. The goods intercepted and detained by the Malta Customs Intellectual Property Rights Unit – Enforcement Directorate ("Customs"), originate mainly from China, Hong Kong, India and Dubai, with counterfeit sport shoes, sport clothing, cigarettes, toothpaste, mobile accessories, toiletries and ED tablets (Viagra), as the predominant counterfeit goods seized locally.

Under Maltese law, counterfeit goods are goods which infringe IP rights. Entry into Malta, export or re-export, release for free circulation, temporary importation, placing in any warehouse of goods found to be goods infringing IP rights, is prohibited. An aggrieved person may request the Comptroller of Customs ("the Comptroller"), to detain the goods alleged to be counterfeit by proving on a prima facie basis that it is the holder of the IP rights and that the goods infringe those IP rights. Where such request is upheld by the Comptroller the aggrieved party has a period of ten days to initiate judicial proceedings to safeguard the alleged rights.

Maltese law contemplates a criminal and a civil action with respect to counterfeit goods. It is incumbent on the applicant to prove, beyond reasonable doubt before the criminal courts, and on the basis of probability before civil courts, the rights claimed and the infringement of those rights. Civil courts have affirmed that counterfeit goods detained by Customs in

transit can be seized on the basis of Maltese law, independently of applicable EU Regulations and case law of the Court of Justice of the European Union holding that counterfeit goods may only be seized in the EU if they are destined or suspected to be destined to the EU market.

Under Maltese law an aggrieved person may also request the court to: (i) prevent any imminent infringement of such IP rights, 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 infringement of that right, or to make such continuation subject to the lodging of guarantees intended to ensure the compensation of the right holder; (ii) award damages due by reason of an infringement of an IP right; (iii) order the seizure of the counterfeit goods; (iv) issue an injunction against the infringing party aimed at prohibiting the continuation of the infringement; (v) order the precautionary seizure of movable and immovable property of the infringing party; (vi) order the Comptroller to dispose of the counterfeit goods in such a way as to preclude injury to the holder of the IP right or order the Comptroller to destroy such goods, in any case without compensation of any sort to the infringing party; (vii) take, or order the Comptroller to take in respect of such goods, any other measures having the effect of effectively depriving the persons in breach of the economic benefits of the transaction; and, (viii) recall the circulation of the counterfeit goods if they are released in the market, and/or order the destruction of such goods.

Under Maltese law, any person who imports or causes to be imported any goods infringing an IP right, may be found guilty of a criminal

offence and will be liable to a fine equivalent to double the value of such goods for every such offence. Proceedings for such offences are regulated by the provisions of the Criminal Code.

In conclusion, traders are therefore assisted by the Maltese legal framework (and also at EU level) to protect their rights; however, it is incumbent on such traders to take up the initiatives available to them to combat counterfeiting such as the registration of national trademarks, Community trademarks and availing of unitary patent protection, amongst others, whilst also enforcing such rights against those who act in breach of their rights.

Contact:



Sharon Azzopardi
Associate

Email: sharon.azzopardi@camilleripreziosi.com
Tel: (+356) 2567 8125



Nicholas Trapani Galea Feriol
Associate

Email: nicholas.trapanigalea@camilleripreziosi.com
Tel: (+356) 2567 8115
Website: www.camilleripreziosi.com

CAMILLERI PREZIOSI
ADVOCATES