

**CHECKLIST OF ISSUES ON ENFORCEMENT<sup>1</sup>**

Responses from Estonia

**Civil and Administrative Procedures and Remedies**

(a) *Civil judicial procedures and remedies*

**1. Specify the courts which have jurisdiction over IPR infringement cases.**

The protection of IPRs is subject to ordinary jurisdiction. The competent courts in civil law matters are:

- City and County Courts as courts of first instance;
- Circuit Courts as appellate courts;
- The Supreme Court as the court of cassation.

The laws on industrial property set forth pre-court dispute resolution procedures by the Industrial Property Board of Appeal in specified cases. The decisions of the Board of Appeal can further be contested in court.

Where the parties so agree, a civil-law dispute, involving an intellectual property rights infringement case, can be referred to be resolved by a court of arbitration.

**2. Which persons have standing to assert IPRs? How may they be represented? Are there requirements for mandatory personal appearances before the court by the right holder?**

In principle, all right holders may, in conformity with the Code of Civil Procedure, assert intellectual property rights in court either in person or through an agent. In specified cases the Code prescribes statutory representation while normally contractual representation is available. Specific rules apply where a performing rights society exists, by way of which the right holders may collectively represent their intellectual property rights. While the competence to represent the member right holders rests with a performing rights society pursuant to law or contract, the member right holders may not independently pursue their corresponding rights. On the basis of law or contract, the performing rights societies may represent non-member right holders. In cases of manifest infringements of the rights and legitimate interests of the right holders, the performing rights society is entitled to represent all right holders without a mandate. Foreign right holders are represented by the performing rights societies on the basis of bilateral or multilateral agreements concluded with foreign performing rights societies.

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<sup>1</sup> Document IP/C/5.

There are no statutory requirements for mandatory personal appearances before the court by the right holder. However, the court may at its discretion order the personal appearance of a party where considered necessary in the interests of justice.

**3. What authority do the judicial authorities have to order, at the request of an opposing party, a party to a proceeding to produce evidence that lies within its control?**

According to paragraph 119 of the Code of Civil Procedure, a party may request the court to order certain evidence to be produced by another person. The person who possesses that evidence is obliged to present it to court upon the court's order. If a person is in possession of information that is important for the purpose of resolving the dispute, he shall be obliged, upon request of the court, to draw up a written document based on such information and present it to the court. When evidence is not produced upon the court's order, the court may impose a fine. The fine shall not exempt the person from the obligation to produce the required evidence.

**4. What means exist to identify and protect confidential information brought forward as evidence?**

The court may, where appropriate, deviate from the principle of openness (publicity) of court proceedings in order to preserve certain types of confidential information (such as a trade secret, the secrecy of news or mail, etc.) by declaring a session closed either in part or in whole. This may also be done in the interests of justice. In addition, information transmitted via commonly used means (mail, telephone, telegraph or other) may only be disclosed at an open court session on consent of the natural person who sent or received the information.

The materials of the case where a ground for declaring the session closed existed will not be available to any third parties, including those having a legitimate interest.

**5. Describe the remedies that may be ordered by the judicial authorities and criteria, legislative or jurisprudential, for their use;**

- **injunctions;**
- **damages, including recovery of profits, and expenses, including attorney's fees;**
- **destruction or other disposal of infringing goods and materials/implements for their production;**
- **any other remedies.**

Injunctions

The court can secure an action upon request of a party, if the execution of the judgement would otherwise be obstructed or made impossible. The court shall review the application of securing an action no later than on the working day following the day of application. For the purpose of securing an action the court may, *inter alia*, order a party to desist from performing certain transactions or proceedings, seize the movable property of the defendant, etc. The court order (injunction) shall be enforced immediately. In case such an order is infringed, the court may impose a fine upon the infringer.

In cases of industrial property rights (patents, utility models) where a claim is brought against a continuing violation of an exclusive right, the court may, upon request of the claimant, order the removal of the infringing objects from the channels of commerce for the duration of the proceedings.

In addition, the court may secure evidence upon request of a party if there is a ground to assert that the production of relevant evidence would later be obstructed or made impossible.

Damages, including recovery of profits, and expenses, including attorney's fees

The court is competent to order the infringer to pay the right holder damages adequate to compensate for the injury the right holder has suffered because of an infringement of that person's intellectual property right by an infringer who culpably engaged in an activity that caused the injury (damage). The damages include lost profits.

Upon request of the party in whose favour a judgement was rendered, the court shall order the other party to disburse to the aforesaid party the necessary and justifiable litigation expenses, the attorney's fees understood thereunder.

Destruction or other disposal of infringing goods and materials/implements for their production

The Estonian Code of Civil Procedure does not regulate the disposal of, or destruction of, goods and materials/implements for their production. The relevant measures are available within the Code on Administrative Procedure and Code on Criminal Procedure.

Any other remedies

In cases of infringement of copyright and related rights, the court may order the infringer to pay to the right holder material compensation for moral injuries. Further, it can adjudicate to the right holder the effects acquired by the defendant by way of infringement of the intellectual property rights. The court can also terminate the contract between the parties or prohibit the infringing activities. If a work (creation) has been disclosed, recorded, reproduced, distributed, imported, modified etc in breach of the laws of intellectual property, the right holder may claim the restoration of the work in its original form, the modification of the copied work or the destruction of the pirated copy.

- 6. In what circumstances, if any, do judicial authorities have the authority to order the infringer to inform the right holder of the identity of third persons involved in the production and distribution of the goods of services found to be infringing and of their channels of distribution?**

The Estonian Code of Civil Procedure does not authorise the judicial authorities to order the infringer to inform the right holder of the identity of third persons involved in the production and distribution of the goods or services found to be infringing and of their channels of distribution.

- 7. Describe provisions relating to the indemnification of defendants wrongfully enjoined. To what extent are public authorities and/or officials liable in such a situation and what "remedial measures" are applicable to them?**

The court may impose a fine upon the person who knowingly brought an ungrounded claim with the view of causing damages to the defendant. Defendants otherwise wrongfully enjoined can rely upon the general legal grounds of indemnification. In case the defendant has suffered damages as a result of illegal activities of public authorities and/or officials in the course of their official duties, the damages will generally also be compensated according to the general regulations on indemnification.

**8. Describe provisions governing the length and cost of proceedings. Provide any available data on the actual duration of proceedings and their cost.**

The Estonian Code of Civil Procedure does not set forth any fixed terms as to the overall duration of proceedings. However, the law prescribes terms for certain procedural acts (e.g. the preliminary hearing and the court hearing). Where the law does not set forth terms for procedural acts, the court shall determine the terms. The procedural terms set by the court may be extended by the court, whereas the statutorily fixed terms may be reinstated on justified reasons.

According to Estonian Law, the litigation expenses involve: (a) the State duty; (b) the expenses of the proceedings and (c) the cassation bail. The sum of the State duty in the case of an action is dependent on the amount in dispute. The expenses of the litigation consist primarily of the fees of the experts, interpreters and witnesses; the attorney's fees, postage, lost earnings due to participation in litigation, etc. In principle, the court will order the losing party to pay to the other party the justified and reasonable litigation expenses.

According to the statistical data available at the Estonian Ministry of Justice, the average duration of civil litigation in the courts of first instance was 19 weeks in 1998. As regards the actual costs of litigation, the only available data concern the cumulative State duty paid on civil actions (19 070 291.- EEK in 1998; 13 661 042.- EEK in 1997).

(b) *Administrative procedures and remedies*

**9. Reply to the above questions in relation to any administrative procedures on the merits and remedies that may result from these procedures.**

Specify the courts which have jurisdiction over intellectual property rights infringement cases.

The court system shall consist of:

- city and county courts, and administrative courts;
- circuit courts;
- the Supreme Court.

Which persons have standing to assert intellectual property rights? How may they be represented? Are there requirements for mandatory personal appearances before the court by the right holder?

Everyone (all right holders) whose rights and freedoms are violated has the right of recourse to the courts. The rules of court procedure regarding representation, defence, state prosecution, and supervision of legality is provided by law. See the reply to question 2 under civil judicial procedures. In general, administrative procedure is settled by special laws mentioned under civil judicial procedures and remedies. The Copyright Law prescribes administrative liability of legal persons. Legal persons are punished by fine. In case of implementing the fine decision is followed by Code of Enforcement.

What authority do the judicial authorities have to order, at the request of an opposing party, a party to a proceeding to produce evidence which lies within its control?

See the reply to question 3 under Civil Judicial Procedures.

What means exist to identify and protect confidential information brought forward as evidence?

See the reply to question 4 under Civil Judicial Procedures.

Describe the remedies that may be ordered by the judicial authorities and criteria, legislative or jurisprudential, for their use:

- injunctions;
- damages, including recovery of profits, and expenses, including attorney's fees;
- destruction or other disposal of infringing goods and materials/implements for their production;
- the Estonian Code of Administrative Offences regulates special confiscation (art. 238), the disposal of (art. 239), or destruction of, goods and materials/implements for their production (according to Copyright Law the pirated copy is destroyed);
- any other remedies.

See the reply to question 5 under Civil Judicial Procedures.

In what circumstances, if any, do judicial authorities have the authority to order the infringer to inform the right holder of the identity of third persons involved in the production and distribution of the goods or services found to be infringing and of their channels of distribution?

See the reply to question 6 under Civil Judicial Procedures.

Describe provisions relating to the indemnification of defendants wrongfully enjoined. To what extent are public authorities and/or officials liable in such a situation and what "remedial measures" are applicable to them?

See the reply to question 7 under Civil Judicial Procedures.

Describe provisions governing the length and cost of proceedings. Provide any available data on the actual duration of proceedings and their cost.

The term when administrative court deals with case begins to run on the tenth day following the day of the sending of summons and ends after one month from acceptance of complaint. In 1998 were solved 28.3 % administrative cases during one month. The average duration of hearing is shorter than in previous years. As regards to the costs there are no statistics available.

## **Provisional Measures**

(a) *Judicial measures*

**10. Describe the types of provisional measures that judicial authorities may order, and the legal basis for such authority.**

The court can secure an action upon request of a party, if the execution of the judgement would otherwise be obstructed or made impossible. The court shall review the application of securing an action no later than on the working day following the day of application. For the purpose of securing an action the court may, *inter alia*, order a party to desist from performing certain transactions or proceedings, seize the movable property of the defendant, etc. The court order shall be enforced immediately. In case such an order is infringed against, the court may impose a fine upon the infringer.

In addition, the court may secure evidence upon request of a party if there is a ground to assert that the production of relevant evidence would later be obstructed or made impossible. The court shall immediately review the application of securing evidence.

**11. In what circumstances may such measures be ordered *inaudita altera parte*?**

Both the measure of securing an action and the measure of securing evidence can be ordered *inaudita altera parte*. The defendant and other parties to litigation shall not be notified of the review of an application of securing an action. The court order shall be enforced immediately. The court shall send the order concerning the securing of an action to the other party (defendant) after the enforcement thereof.

**12. Describe the main procedures for the initiation, ordering and maintenance in force of provisional measures, in particular relevant time-limits and safeguards to protect the legitimate interests of the defendant.**

The court may secure an action on the basis of a well-founded application no earlier than one month prior to the initiation of the action. In case the court finds that securing the action may cause material damages, the court may require the applicant to deposit a sum specified by the court at the court's account. The court shall revoke the order of securing an action if the plaintiff's claims are not met or the defendant satisfies the claims in full or in case the party who applied for securing the action prior to the initiation of the action did not bring suit within one month.

The order by which the court secured an action, modified the securing remedy or revoked the security may be contested by way of special appeal at the Circuit Court.

In case the plaintiff's claims were not met, the defendant is entitled to compensation for losses suffered due to the securing of action upon request of the plaintiff.

**13. Describe provisions governing the length and cost of proceedings. Provide any available data on the actual duration of proceedings and their cost.**

The court shall review the application of securing an action no later than on the working day following the day of application. The court order shall be enforced immediately.

The court shall immediately review an application of securing evidence.

There are no specific data available concerning the actual duration of proceedings and cost of the enforcement of provisional measures.

(b) *Administrative measures*

**14. Reply to the above questions in relation to any administrative provisional measures.**

Describe the types of provisional measures that judicial authorities may order, and the legal basis for such authority.

See the reply to question 10 under Civil Provisional Measures.

In what circumstances may such measures be ordered *inaudita altera parte*?

See the reply to question 11 under Civil Provisional Measures.

Describe the main procedures for the initiation, ordering and maintenance in force of provisional measures, in particular relevant time-limits and safeguards to protect the legitimate interests of the defendant.

See the reply to question 12 under Civil Provisional Measures.

Describe provisions governing the length and cost of proceedings. Provide any available data on the actual duration of proceedings and their cost.

See the reply to question 13 under Civil Provisional Measures.

**Special Requirements Related to Border Measures**

- 15. Indicate for which goods it is possible to apply for the suspension by the customs authorities of the release into free circulation, in particular whether these procedures are available also in respect of goods which involve infringements of intellectual property rights other than counterfeit trademark or pirated copyright goods as defined in the TRIPS Agreement (footnote to Article 51). Specify, together with relevant criteria, any imports excluded from the application of such procedures (such as goods from another member of a customs union, goods in transit or *de minimis imports*). Do the procedures apply to imports of goods put on the market in another country by or with the consent of the right holder and to goods destined for exportation?**

It is possible to apply for suspension of goods which infringe the rights of trademark holder (counterfeit goods), industrial design rights holder and copyrights (pirated goods). It is forbidden to carry counterfeit goods and pirated designs across the customs border for commercial use. It is forbidden to carry pirated copies (by Copyright Act) across the customs border for commercial and personal use. The procedures involve importation, exportation as well as goods in transit. The procedures do not apply to imports of goods put on the market in another country by or with the consent of the right holder.

- 16. Provide a description of the main elements of the procedures relating to the suspension of the release of goods by customs authorities, in particular the competent authorities (Article 51), the requirements for an application (Article 52) and various requirements related to the duration of suspension (Article 55). How have Articles 53 (security or equivalent assurance), 56 (indemnification of the importer and of the owner of the goods) and 57 (right of inspection and information) been implemented?**

The goods about which there is reason to believe that they are counterfeit or pirated goods will be detained. The right holder will be asked to apply an application. There are no special requirements settled for the application (such as time limit or special form). The Customs has the right to detain the goods until the decision on potential customs offence will be made. After the application has lodged, the right holder or his representative in Estonia would assess the goods. On the basis of right holders assessment the Customs will treat the violation of regulations by the Code of Administrative Offences (in the absence of the elements of a criminal offence) or by the Criminal Code. The Customs will make the decision on potential customs offence by the administrative law. The criminal court will make the decision on any potential criminal offence. Both ways the goods will be confiscated and, further on, destroyed. Article 53 has not been implemented. The civil court has authority to order the applicant to pay the importer, the consignee and the owner of the goods appropriate compensation for any injury caused to them through the wrongful detention of goods. Article 57 has not been implemented and is not compatible with the Estonian Taxation Act because tax authorities may only disclose information concerning a taxpayer with the written consent of the taxpayer, with the exception of information concerning tax arrears or the results of tax disputes of the taxpayer. A tax authority may provide information about a taxpayer without the taxpayer's consent to:

- State agencies engaged in social insurance in the cases prescribed by law;
- the State Audit Office for the performance of its duties;
- an authorised representative of a foreign State concerning a resident taxpayer in such State under the conditions provided for in an international agreement.

In the interests of prevention of a criminal or administrative offence, apprehension of a criminal offender or administrative offender, or ascertaining the truth in a criminal or administrative proceeding, the tax authority may provide information without the consent or knowledge of a taxpayer to a court or to another competent State agency for the investigation, hearing and consideration of a matter subject to a criminal or administrative proceeding.

- 17. Describe provisions governing the length and cost of proceedings. Provide any available data on the actual duration of proceedings and their cost. How long is the validity of decisions by the competent authorities for the suspension of the release of goods into free circulation?**

All costs of proceedings will be covered by the importer, exporter. The length of proceedings is about a month. The right holder will cover costs related to the assessment of goods.

- 18. Are competent authorities required to act upon their own initiative and, if so, in what circumstances? Are there any special provisions applicable to *ex officio* action?**

The Customs have to act *ex officio* when there is reason to believe that the goods are counterfeit or pirated goods.



**19. Describe the remedies that the competent authorities have the authority to order and any criteria regulating their use.**

If a legal or natural person unlawfully carries goods across the customs frontier a fine of up to the threefold value of the goods which are a direct object of the violation is imposed by the Customs. The goods will be confiscated and destroyed.

**Criminal Procedures**

**20. Specify the courts which have jurisdiction over criminal acts of infringement of IPRs.**

The protection of intellectual property rights is subject to the ordinary jurisdiction. The court system shall consist of:

- city and county courts, and administrative courts;
- circuit courts;
- the Supreme Court.

County and city courts, and administrative courts are courts of first instance.

Circuit courts are appellate courts and shall review judgments of the courts of first instance by way of appeal proceedings.

The Supreme Court is the highest court in the State and shall review court judgments by way of cassation proceedings. The Supreme Court is also the court of constitutional review.

Rules regarding court administration and rules of court procedure shall be established by law.

**21. In respect of which infringements of which intellectual property rights are criminal procedures and penalties available?**

The violation of non-property rights of an author or performer is punished by a fine or imprisonment of up to 2 years.

The violation of copyright or related property rights is punished by a fine or imprisonment of up to 2 years.

The handling of remedies preventing the violation of copyright or related property rights is punishable with a fine or imprisonment of up to 2 years.

The handling of pirated copy is punished by a fine, arrest or imprisonment of up to 3 years.

The disclosure of data concerning inventions or industrial designs or appropriation of authority of invention, layout-designs (topographies) of integrated circuits or industrial designs is punished by a fine, arrest or imprisonment of up to 2 years.

The violation of exclusive rights of a proprietor of a trademark or patent or industrial designs or layout-designs (topographies) of integrated circuits or utility models, is punished by a fine or imprisonment of up to 2 years.

Article 33 paragraph 6 of the Criminal Code includes special confiscation of infringing goods. The Criminal Procedure Code prescribes measures concerning to confiscated property, among them the destruction of goods. Article 146 of the Criminal Procedure Code prescribes seizure for claim in action.

**22. Which public authorities are responsible for initiating criminal proceedings? Are they required to do this on their own initiative and/or in response to complaints?**

Investigators and prosecutors are obliged to initiate criminal proceedings on their own initiative. According to complaints, the judge, investigator or prosecutor initiates criminal proceedings.

**23. Do private persons have standing to initiate criminal proceedings and, if so, who?**

Yes they do. Notifications of enterprises and officials must be written. Officials represent the enterprise.

**24. Specify, by category of IPR and type of infringement where necessary, the penalties and other remedies that may be imposed:**

- **imprisonment;**
- **monetary fines;**
- **seizure, forfeiture and destruction of infringing goods and materials and implements for their production;**
- **other.**

See the reply to question 21.

**25. Describe provisions governing the length and any cost of proceedings. Provide any available data on the actual duration of proceedings and their cost, if any.**

The Code of Criminal Procedure prescribes terms for certain proceedings, such as pretrial investigation (2 months), hearing (20 days). In the case where an accused does not appear, the court must suspend the hearing. The costs of proceedings involve: (1) sums for witnesses, victims, experts, specialists, interpreters; (2) sums to preserve, transmit or investigate the proofs; (3) lawyers' sums for compulsory defence; (4) other costs.

Statistics about cost of proceedings are not available. The length of proceedings in courts of first instance is as follows: 27, 6 % of criminal cases were under discussion for 1 month, 31,8 % for 3 months, 18,8 % for 6 months, 22,8 for over 6 months.

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