

CHECKLIST OF ISSUES ON ENFORCEMENT¹

Responses from Croatia

Revision

By a communication from its Permanent Mission, dated 19 April 2001, Croatia has indicated several changes in the answers to the Checklist of Issues on Enforcement circulated in document IP/N/6/HRV/1. Please find below the revised text.

Civil and Administrative Procedures and Remedies

(a) Civil judicial procedure and remedies

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

The courts which have jurisdiction over intellectual property right cases are trade courts with territorial jurisdiction. There are four trade courts which are dealing with intellectual property cases. Appeal against their decisions are examined by the High Trade Court in Zagreb (Law on Courts, Articles 19(2) p.d. 20, The Official Gazette of the Republic of Croatia N° 3/1994, 100/1996, 131/1997, 129/2000).

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?

Any right holder of an intellectual property right, who or which is a natural or legal person, has standing to assert his /its rights (Civil Procedure Law, Article 77(1) - The Official Gazette of the Republic of Croatia N° 53/1991, 91/1992, 112/1991; Copyright Law, Articles 95 and 119 – The Official Gazette of the Republic of Croatia N° 9/1999, 76/1999, 127/1999; Trademark Law, Article 50, Law on the Protection of Geographical Indications of Product and Services, Article 30; Industrial Designs Law, Article 50; Patent Law, Articles 74, 76 and 77; Law on Protection of Layout-Designs of Integrated Circuits, Article 22 – The Official Gazette of the Republic of Croatia N° 78/1999). In addition and subject to special conditions, this stands also for other forms of associations, which do not have the legal status of a natural or legal person (Civil Procedure Law,

¹ Document IP/C/5.

Article 77(3)) and for organisations of authors and other copyright owners, as well as other specialised organisations for the administering of copyright and related rights (Copyright Law, Articles 90 and 116).

Intellectual property right holders may be represented by any natural person with full legal capacity (Civil Procedure Law, Article 90(1); Copyright Law, Articles 89 and 115), by an attorney (Civil Procedure Law, Article 95) or by an authors association or authors agency (Copyright Law, Article 90).

There are no requirements for mandatory personal appearances before the court of the right holder (Civil Procedure Law, Article 269 and 295).

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?

At the request of the opposing party the judicial authorities may order provisional measures or preservation of evidence (see below).

At the request of one party the judicial authorities may order the opposing party to produce evidence which lies within its control (Civil Procedure Law, Article 233).

If the opposing party does not produce evidence which lies within its control, the court judges at its own discretion and due to all circumstances, what importance is to be given to the fact of the denial of access of information (Civil Procedure Law, Article 233(5)).

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

In order to ensure protection of confidential information, brought forward as evidence, the court may decide to exclude the public from the court hearings. The judge is obliged to warn all parties that they have to respect the confidential nature of any relevant information, which they receive in such hearings (Civil Procedure Law, Articles 307-310).

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 may order the infringer to desist from a preparatory act for an infringement and the infringement itself (Copyright Law, Articles 95 and 119) and from further infringements (Copyright Law, Articles 96 and 119; Trade Mark Law, Article 50; Law on the Protection of Geographical Indications of Product and Services, Article 30; Industrial Design Law, Article 50; Patent Law, Article 78; Law on Protection of Layout-Designs of Integrated Circuits, Article 22).

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

The court may order damages to be paid in favour of the right holder (Copyright Law, Articles 95 and 119; Trademark Law, Article 50; Law on the Protection of Geographical Indications of Product and Services, Article 30; Industrial Design Law, Article 50; Patent Law, Article 78; Law on Protection of Layout-Designs of Integrated Circuits, Article 22). Damages include recovery of profits and expenses (Law on Obligations, Articles 185, 189 and 190 - Official Gazette of the Republic of Croatia N° 53/1991). The winning party is entitled to recover from the opposing party all expenses due to the procedure, including attorney's fees (Civil Procedure Law, Articles 151 and 154(1)). The criterion for this is the actual existence of damage or expenses.

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

The court may order that the infringing copies, their packaging, stencils, negatives, plates, melds or other means, which were instrumental to the infringement, be destroyed or altered (Copyright Law, Article 96).

The same stands for devices, the sole or prevalent purpose of which is to make infringements and which are owned by the infringer (Copyright Law, Article 97). The criterion is that an infringement has occurred.

Other remedies

- Publication of the judgement

The court may order that the judgement be published at the infringer's expense (Copyright Law, Article 96(3); Trademark Law, Article 50(1) p.5; Law on the Protection of Geographical Indications of Product and Services, Article 30(1) p.7; Industrial Designs Law, Article 50(1) p.5; Patent Law, Article 78(1) p.5; Law on Protection of Layout-Designs of Integrated Circuits, Article 22). The criterion is that an infringement has occurred.

- Moral damage

The court may order that the infringer pays to the right holder monetary satisfaction for non-material damages (Copyright Law, Article 95). The criteria are that an infringement of moral rights has occurred, that it has caused mental anguish and suffering to the author; and that the degree and duration of the suffering entitle the monetary compensation (Law on Obligations, Article 200).

- Punitive damages

In case of infringement of copyright for instance, any person who, under his own name or the name of another person, publishes, presents, performs or transmits the work of another, or permits such acts, shall be guilty of criminal offence (Copyright Law, Articles 121-129).

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?

Such circumstances are not foreseen.

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?

In case of abuse of enforcement procedures, general rules on damages (Law on Obligations, Articles 16 and 154-209) will apply for the indemnification of the defendant.

Public authorities are liable for damages, caused by their officials to third parties in the administration or in connection with the administration of their duties, under the general rules on damages (Law on Obligations, Article 172).

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

The courts shall endeavour that the procedures shall not entail delays and shall run under the lowest costs possible (Civil Procedure Law, Article 10). The proceedings are summarily (Patent Law, Article 81).

The actual duration of proceedings and their costs depend on the complexity of each individual case (e.g. attorney's fees are proportional to the extent of the sums claimed).

(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.

Administrative procedures are not foreseen.

Provisional Measures

(a) Judicial measures

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

In case of industrial property rights a provisional measure comprising: the desistance from actions infringing a protected right, or actions which might infringe a protected right, the seizure or exclusion from circulation respectively of the products resulting or acquired by the infringement of a protected right and of the articles (implements and tools) predominantly used in the creation of the products infringing a protected right. The preservation of evidence on the infringement of the protected rights. If there is a likelihood of irreparable damage to be done or likelihood that the later derivation of evidence would be difficult or impossible, the court shall order a provisional measure, without previously notifying the other party (Trademark Law, Article 53; Law on the Protection of Geographical Indications of Product and Services, Article 30(3); Industrial Design Law, Article 52; Patent Law, Article 79; Law on Protection of Layout-Designs of Integrated Circuits, Article 22). To the matters concerning the ordering of provisional measures not regulated by these laws, corresponding provisions of the Law on Execution, Articles 292-307 Official Gazette of the Republic of Croatia N° 57/1996 and N° 29/1999, and the Civil Procedure Law, Articles 272-276, shall apply.

In case of copyright and related rights: seizure, exclusion from circulation, and taking into custody of copies, means, equipment, and relevant documents; interdiction of imminent infringements or of infringements already commenced; other similar measures (Copyright Law, Articles 97 and 119(3)).

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

In urgent cases (irreparable damage, preservation of evidence) (Civil Procedure Law, Article 275(5); Patent Law, Article 79(3)).

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.

Initiation

The procedures for provisional measures start on written application by the right holder (Civil Procedure Law, Article 274; Law on Execution, Article 293).

Ordering and maintenance in force

The court requires the applicant to show probable grounds for belief, that his claim is existing and that without the provisional measure the relaxation of his claim would be impossible or rather difficult or that the measure is necessary to prevent the use of force or the event of irreparable harm (Law on Execution, Articles 293(2), 296 and 298).

Time-limits

In its decision, the court is free to define the duration of the provisional measure and, in cases in which the measure was ordered before the making of a law-suit or before the beginning of another proceeding, the deadline for such a beginning (Law on Execution, Article 303).

Defendant's safeguards

The defendant has the right of appeal against the decision on provisional measures (Law on Execution, Articles 46 and 53). The court may order the applicant to provide security for the defendant's damages, which might occur due to the provisional measure (Law on Execution, Article 301). The defendant himself may provide security for the right holder's claims; in such case the provisional measure is revoked (Law on Execution, Article 300(2) and (3)). The defendant has the right to claim damages, caused with the provisional measure, if the measure had no legal ground (Law on Execution, Article 306).

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

The courts shall endeavour that the procedures shall not entail delays and shall run under the lowest costs possible (Civil Procedure Law, Article 10; Law on Execution, Article 13(1)). The procedure concerning the action for the infringement of a patent shall be urgent (Patent Law, Article 81).

The actual duration of proceedings and their cost depends on the complexity of each individual case (e.g. attorney's fees and court taxes are proportional to the extent of the sums claimed).

(b) *Administrative procedures*

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

Administrative procedures are not foreseen.

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?

The Government of the Republic of Croatia shall prescribe a Decree on Border Measures (Customs Law, Article 70(3) - The Official Gazette of the Republic of Croatia N° 78/1999).

The text of the above-mentioned Decree has been drafted already.

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?

On the issue of procedures as on any other issue related to the special requirements related to border measures, the Draft Decree on Border Measures is fully harmonised with the provisions of the Agreement on Trade-Related Aspects of Intellectual Property Rights (Section 4).

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?

The proceedings shall be guided in a fast way, under the lowest cost possible and shall not entail delays (General Administrative Procedure Law, Article 13).

The actual duration of proceedings and their cost depend on the complexity of each individual case.

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 Authorities have no powers to act upon their own initiative yet. Such possibility is foreseen in the above-mentioned Draft Decree on Border Measures.

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

The Customs Authorities may order that such goods be seized, their release into free circulation be suspended, and the goods be detained awaiting final decision by the competent authority (Copyright Law, Article 120(d)).

Criminal Procedures

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

The jurisdiction over criminal acts of infringement of intellectual property rights lies with the Municipal Courts, County Courts and Supreme Court of the Republic of Croatia (Law on Courts, Articles 16 and 17).

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

Protected rights: unauthorised use of inventions (Penal Law – The Official Gazette of the Republic of Croatia N° 110/1997, 27/1998, Article 232).

The other rights of industrial property: counterfeiting (Penal Law, Article 285).

Copyright (moral rights): (Penal Law, Article 229).

Copyright (economic rights): (Penal Law, Article 230).

Related rights (rights of performers): whoever, without permission of a performer, when such permission is required by law, broadcasts, reproduces, puts into circulation or communicates to the public a performance or a fixation of a performance, and thereby obtains substantial material gain (Penal Law, Article 231).

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?

The authority responsible for initiating criminal procedures, is the General Attorney. Depending on the type of infringement he acts *ex officio* or on a complaint.

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

Private persons, i.e. right holders, have standing to initiate criminal proceedings, according to Article 8(2) of the Penal Law.

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.**

Trademarks: counterfeiting – fine or imprisonment, the infringing goods shall be seized and destroyed on an obligatory basis (Penal Law, Articles 284 and 285).

Industrial designs: counterfeiting – fine or imprisonment, the infringing goods shall be seized and destroyed on an obligatory basis (Penal Law, Article s284 and 285).

Protected patent rights: unauthorised use of inventions – fine or imprisonment, the infringing goods shall be seized and destroyed on an obligatory basis (Penal Law, Article 232).

Copyright (moral rights): – fine or imprisonment, the infringing goods shall be seized (Penal Law, Article 229).

Copyright (economic rights): – fine or imprisonment, the infringing goods shall be seized (Penal Law, Article 230).

Related rights (rights of performers): – fine or imprisonment, the infringing goods shall be seized (Penal Law, Article 231).

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 courts shall endeavour that the procedures shall not entail delays (Law on Criminal Procedure – The Official Gazette of the Republic of Croatia N° 110/1997, Article 10(2)).

The costs of criminal procedure and costs of investigation (Law on Criminal Procedure, Articles 119-126).

The actual duration of proceedings and their costs depend on the complexity of each individual case.
