

CHECKLIST OF ISSUES ON ENFORCEMENT¹

Responses from Malta

Civil and Administrative Procedures and Remedies

(a) Civil judicial procedure and remedies

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

The Civil Court First Hall and the Court of Appeal have jurisdiction over intellectual property right cases.

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?

Right holders and licensees have the right to assert intellectual property rights.

To institute a court case one has to file written pleadings signed by a lawyer. A party to a case may be represented by a general or special mandatory (attorney). There are no compulsory requirements for personal appearances before the Court by the right holders.

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?

The Court may request the parties and third parties to produce evidence which lies within their control.

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

The Court may provide that a case be heard *in camera* and/or that documentary evidence be kept confidential subject to right of access thereto by the parties to the case. Demands for the protection of information must also be relevant to the case before the Court and vexatious or unnecessary demands for the production of confidential information may be denied by the Court.

¹ Document IP/C/5.

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.**

5.1 General

5.1.1 Injunctions

The Courts may issue a precautionary warrant against a defendant to a court case and an executive warrant against a losing party after a definitive judgement. Precautionary warrants include:

- the warrant of prohibitory injunction which may be used to stop a person from doing anything which prejudices the right of the plaintiff;
- a garnishee order freezing the defendants property in the hands of third parties;
- a warrant of seizure seizing the defendants property; and
- a warrant of description to draw up an inventory of property in the hands of the defendant.

The warrant of seizure and the garnishee order may also be issued as executive warrants which also include the warrant of ejection or expulsion from immovable property, and the warrant of injunction ordering the imprisonment of a person until the performance of an act ordering by a judgement if there are no other means of execution.

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

Under Maltese Law damages include both loss of profit and loss of earnings. Expenses incurred due to the fault of other parties and lawyers fees and also recoverable in accordance to the Court judgement.

5.2 Specific – Trademarks (as per Trademarks Bill N° 38 of 29 February 2000)

5.2.1 Injunctions

An infringement of a registered trademark is actionable by the proprietor of the trademark by writ of summons to be filed in the First Hall of the Civil Court. In an action for infringement all such relief as is available in respect of the infringement of any other property right shall be available to the plaintiff. (Section 14(1) & (2))

Any person aggrieved by groundless threats of infringement proceedings, may by means of a writ of summons before the Civil Court, First Hall, request relief by virtue of an injunction against the continuance of such threats. (Section 20(2)(b))

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

Any person aggrieved by groundless threats of infringement proceedings may by means of a writ of summons before the Civil Court claim damages in respect of any loss he may have sustained by the threats. (Section 20(2)(c))

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

Where a person is found to have infringed a registered trademark, the Court may make an order requiring him:

- to cause the offending sign to be erased, removed or obliterated from any infringing goods, material or articles in his possession, custody or control, or
- if it is not reasonably practicable for the offending sign to be erased, removed or obliterated, to secure the destruction of the infringing goods, material or articles in question. (Section 15(1)(a) & (b))

If an order as specified above is not complied with, or it appears likely to the Court that such an order would not be complied with, the Court may order that the infringing goods, material or articles be delivered to such person as the Court may direct of erasure, removal or obliteration of the sign, or for destruction, as the case may be. (Section 15(2))

The proprietor of a registered trademark may apply to the Court for an order for the delivery up to him, or such other person as the Court may direct, of any infringing goods, material or articles which a person has in his possession, custody or control in the course of a business. (Section 16(1))

An application shall not be made after the end of the period of six years, and no order shall be made unless the Court also makes, or it appears to the Court that there are grounds for making, an order. A person to whom any infringing goods, material or articles are delivered up in pursuance of an order shall retain them pending the decision of the Court. (Section 16(2) & (3))

Where infringing goods, materials or articles have been delivered up in pursuance of an order, an action by writ of summon may be brought before the Court by any party interested:

- for an order that they be destroyed or forfeited to such person as the Court may think fit, or
- for a decision that no such order should be made.

In considering its decision, the Court shall consider whether other remedies available in an action for infringement of the registered trademark would be adequate to compensate the proprietor and any licensee to protect their interests. (Section 19(a)(b) & (c))

5.2.4. Other remedies

Any person aggrieved by groundless threats of infringement proceedings may by means of a writ of summons before the Civil Court, First Hall, request a declaration that the threats are unjustified. (Section 20(2)(a))

5.3 Specific – Patents (as per Patents Bill N° 37 of 3 March 2000)

5.3.1. Injunctions

The Court may stay proceedings for infringement in respect of a patent application until after a final decision has been made by the Comptroller to grant or refuse a patent on that application. (Section 48(3))

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

Any person who exploits an invention which is the subject-matter of a patent or patent application shall be liable in damages towards the proprietor of the patent or of a patent application or the licensee. The right to sue for damages shall be without prejudice to the right of such person to apply for the issue of any precautionary warrant as provided in the Code of Organization and Civil Procedure to protect his rights. (Section 47(1) & (2))

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

The Court may, on the demand of the plaintiff, order that the machinery or other industrial means or contrivances used in contravention of the patent, the infringing articles, and the apparatus destined for their production, be forfeited, wholly or partially, and delivered up to the proprietor of the patent. (Section 47(3))

5.4 Specific – Copyright

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

Where any person infringes the copyright, neighbouring rights or *sui generis* rights in respect of a work he shall be liable, at the suit of the copyright owner or right holder to be condemned by the Civil Court, First Hall, to the payment of damages or to the payment of a fine to be determined in accordance with a scale of fines to be prescribed by the Minister and to the restriction of all the profit derived from the infringement of the copyright, neighbouring rights or *sui generis* rights.

Where the defendant proves to the satisfaction of the Court that at the line of the infringement he was not aware and could not reasonably be expected to be aware that copyright, neighbouring rights or *sui generis* rights subsisted in the work to which the action relates, the Court shall not condemn him to the restitution of the profit.

The Civil Court, First Hall, may in an action for infringement of copyright, neighbouring rights or *sui generis* rights having regard to all the circumstances and in particular to the flagrancy of the infringement and any benefit accruing to the defendant by reason of the infringement, award such additional damage as the justice of the case may require. (Section 43(1) & (2))

Any person who is found liable for infringement of moral rights shall be liable at the suit of the author or his heirs to be condemned by the Civil Court, First Hall, to the payment of a fine, and for damages to be determined in accordance with a scale of fines to be prescribed by the Minister.

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

The Court may order that all the infringing articles still in possession of the defendant be delivered to the plaintiff.

The Court shall order the destruction of all the infringing articles still in the possession of the defendant where it is satisfied that the prejudice caused to the author is so serious as to justify such measure. This provision shall not apply where the infringing article is a building. (Section 44(2) & (3))

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 Court may order a defendant in a court case to answer questions relating to matters mentioned in question. However, the witness has a right not to be compelled to answer questions if the answer may subject him to criminal prosecution.

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?

A defendant wrongly enjoined may demand the revocation of any precautionary warrants issued against him. He may also demand damages, judicial costs and a condemnation of the plaintiff to the payment of a penalty if the latter's claims are found to be malicious, frivolous or vexatious. A defendant who is successful in a court case is awarded judicial costs. Public authorities are liable in tort in the same way as private individuals. However, precautionary garnishee orders and precautionary warrants of seizure may not be issued against Government Departments.

Judges are not civilly liable for measures ordered.

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

Under Malta's constitution and under the European Convention Act of 1987, incorporating the European Convention on Human Rights in Maltese Law, every party to a court case has a right to a trial within a reasonable time. Cost in Maltese courts are generally not considered as high by international standards.

(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.

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

Malta has a unitary system of Courts and does not have separate administrative courts as regards intellectual property, except in the use of the Copyright Board established under the Copyright Act with jurisdiction to decide on disagreements relating to licensing fees. One may also add that copyright infringement could lead to licences for the operation of shops or agencies dealing in any kind of business, not being issued or renewed.

9.2 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?

The answer given to question 2 applies.

9.3 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?

The Copyright Board shall have the power to summon any person to give evidence or to produce books or other documents before it. The chairman of the Board shall have the same powers as are by the Code of Organisation and Civil Procedure conferred on the Civil Court, First Hall. (Section 47)

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

No written law or case law exists in this matter, but it may be reasonable presented that the Board will be acting within its powers to regulate its own procedures if it were to take measures to identify and protect confidential information similar to those which may be taken by a Court.

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

While this question is not applicable for the functions of the Copyright Board, it is important to note that licences for shops or agencies dealing in any kind of business are only issued and renewed subject to the condition that the licensee shall not:

- for gain or by way of trade, print, manufacture, duplicate or otherwise reproduce or copy, or sell, distribute or otherwise offer for sale or distribution from or on the premises covered by the licence, or as part of the activity covered by such licence, any article or other thing in violation of the rights of copyright enjoyed by any other person and protected by or under Maltese Law;
- suffer or permit any person to do any act or thing, as is mentioned in the preceding paragraph, from or on the premises covered by the licence, or as part of the activity covered by such licence; or
- conspire or attempt, or aid, abet, counsel or procure any other person, to do any act or thing as is mentioned in the two preceding paragraphs.

Non-compliance with the above conditions results in automatic expiration of licence. (Police Licences Act CAP.128 (Sections 1-3))

9.6 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 or services found to be infringing and of their channels of distribution?

Not applicable.

9.7 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 Board may award costs to the successful party. This rule also applies when public authorities are party to a case before the Board.

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

The guarantees of a fair trial within a reasonable time, apply. Cases before the Board are very rare and costs are not high.

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 provisional measures which a Court may order are the precautionary warrants described in the answer to question 5. These are issued on the basis of the provisions in the Code of Organisation and Civil Procedures.

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

The Court has a discretion as to whether to approve a request for a provisional measure to be taken or whether to issue such a warrant immediately upon confirmation on oath and upon responsibility of the applicant *inaudita altera parte*.

The party against whom a provisional warrant is issued may demand its revocation to the Court if he proves that the issuing of the warrant was not justified or if he provides sufficient alternate security. A party issuing a warrant abusively is subject to be sued for damages and costs.

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.

Provisional measures are initiated by application to the Court which may either issue them as described in the answer to question 11 or issue them after a hearing. To be kept in force provisional measures must be followed up by the filing of a court case in respect of the claim stated in the warrant within four working days from the delivery of notice of execution of the warrant to the applicant or to this or within twelve days from the issue of the warrant whichever is the earlier. In default the effects of the warrant cease and the applicants become liable to a penalty and to being sued for damages and costs by the other party.

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

Provisional measures are taken quite quickly. When they are issued upon the responsibility of the applicant *inaudita altera parte*, such measures are taken immediately. Costs in respect of precautionary warrants are low.

(b) *Administrative measures*

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

There are no administrative 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?**

The goods for which it is possible to apply for the suspension by the Customs Authorities are (a) counterfeit (including trademark infringing) goods, (b) pirated goods infringing copyright and neighbouring rights and design rights and (c) goods infringing a patent under Maltese Law.

Goods excluded from these suspensions include (a) goods imported under parallel trading, (b) overruns, (c) goods of a non-commercial nature, and (d) goods in transit, such as the Freeport.

These procedures do not apply to imports of goods put on the market in another country by or with the consent of the right holder, however they include goods destined for exportation.

- 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 competent authorities, which in this case is the Customs Department, may take either *ex officio* action or may act following an application.

An application may be lodged by the holder of a right, as defined in the relative legislation, for action by the Comptroller of Customs when it is alleged that his rights have been or may be infringed under the existing cross-border legislation. This application should include sufficient details to enable the Customs Authorities to take action and proof that the applicant is the right holder.

The applicant shall be responsible to cover the administrative costs incurred in dealing with the application or in implementing the decision taken by the Comptroller of Customs. Customs will notify the applicant of this decision in writing and any refusal is subject to appeal to the Minister responsible for Customs.

When an application has been accepted, Customs may require the applicant to provide a security to cover any possible liability and to ensure payment of costs incurred in keeping the goods in question under Customs control.

The applicant is also bound to notify Customs if his right ceases to be validly registered or if it expires.

When Customs is satisfied that goods are infringing the rights of the applicant, the latter will be granted the opportunity to inspect the goods and provide him with the name and address of the declaring and/or consignee. He will also be granted ten days (which may be extended to twenty days upon written application) after notification of the suspension of the goods, in which he must start legal

proceedings. If Customs has not received proof that such legal proceedings have been initiated, the goods in question will be released, provided all other conditions for importation and exportation have been complied with.

Provision has been made that if civil judicial proceedings have been initiated, the Court may be asked to review the decision of the Customs Department. In the case of goods suspected of infringing patents or design rights, provision has also been made to have the goods in question released, under certain conditions and against a security.

Section 9 of the cross-border legislation also exempts the Customs Authorities from (a) providing any compensation to the holder of the right in case infringing goods are not detected and released and (b) any liability incurred in exercising the powers provided by such legislation.

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?

No such information is yet available.

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?

Customs may take *ex officio* action as outlined above in cases where, without having received an application and in the course of checks made under one of the Customs procedures covered by the cross-border legislation, it appears *prima facie* that goods may be infringing an intellectual property right.

In such cases Customs may withhold release of the goods for five working days in which to allow the holder of the right in question, after notification, to submit an application for action by the Department.

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

After goods have been found to be infringing an intellectual property right, the competent authority, which in this case is the Court, shall order Customs, either to dispose of the goods outside the channels of commerce in such a way as to preclude injury to the holder of the right, or to destroy them, in any case without compensation of any sort. The Court shall take, or order Customs to take, any other measures having the effect of depriving the persons concerned of the economic benefits of the transaction.

At this stage, Customs shall also inform the holder of the right, in addition to the information already provided, of the names and addresses of the consignor, of the importer or exporter and of the manufacturers of the goods in question.

The person found to be guilty of the infringement shall also be liable for every such offence to a fine equivalent to double the value of such goods.

Criminal Procedures

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

The Court of Magistrates and the Criminal Courts have jurisdiction over criminal acts of infringement of intellectual property rights. In both cases and appeal lies to the court of criminal appeal.

Proceedings with respect to cross-border measures shall be taken before the Court of Magistrates with a right of appeal to the Court of Criminal Appeal.

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

21.1 Trademarks

Criminal procedures and penalties are available against any person who with a view to gain for himself or another or with intent to cause loss to another, and without the consent of the proprietor makes unauthorised use of a trademark.

Action may also be taken against persons who falsify the register, falsely represent a trademark as registered, falsely represent themselves as registered trademark agents and also against persons who effect unauthorised use of certain devices and emblems the use of which requires the authority of the President.

21.2 Patents

It shall be considered an offence to put into circulation or sell an article falsely representing that it is a patented article.

21.3 Copyright

Criminal procedures and penalties are available in respect of infringement of the reproduction right and the distribution right.

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?

Under Maltese Law, criminal proceedings are initiated by the public. Copyright offences require the complaint of the injured party.

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

Private persons qualifying as injured parties may be represented in those proceedings. Such parties may also demand the Court to order the police.

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.**

24.1 Trademarks (as per Trademarks Bill N° 38 of 29 February 2000)

Any person who with a view to gain for himself or another or with intent to cause loss to another, and without the consent of the proprietor makes unauthorised use of a trademark shall be guilty of an offence, liable on conviction to imprisonment for a term not exceeding three years or to a fine of not more than Lm10,000 or to both fine and imprisonment. (Section 72(1) & (2))

Any person guilty of falsification of the register shall be liable on conviction to imprisonment for a term not exceeding two years or a fine of not more than Lm5,000 or to both fine and imprisonment. (Section 73(1) & (2))

It shall also be an offence to falsely represent a trademark as registered. A person found guilty of such an offence shall be liable on conviction to a fine of not more than Lm5,000. (Section 74(1)(2) & (3))

Any person who makes unauthorised use of any device, emblem or title in such a manner as to be calculated to lead to the belief that he is employed by or supplies goods and services to the President shall be guilty of an offence and shall on conviction be liable to a fine of not more than Lm3,000.

The Court may, on the demand of the prosecution, order that the machinery or other industrial means used in contravention of the rights of the proprietors of the trademarks, be forfeited wholly or in part, and delivered to the holder of the trademark. (Section 76)

Any magistrate may issue a warrant directing any officer of the Police to enter any house, premises or place, and there to search for seize and remove such goods or things. (Section 77)

Any magistrate may issue the said warrant in cases also where the owner of the goods liable to forfeiture is unknown. (Section 79)

The Court may direct that goods or things forfeited be destroyed or disposed of after the trademarks or other trade descriptions have been obliterated from them, and may also direct that, out of the net proceeds which may be realized by the disposal of such goods or things and up to the amount thereof, any persons who, being in good faith, were injured by the forfeiture, be awarded compensation for any loss caused to them. (Section 81)

Any person who falsely claims to be a registered trademark agent when he is not so registered, shall be guilty of an offence against this section and shall in conviction be liable to a fine of not more than Lm500. (Section 84)

24.2 Patents (as per Patents Bill N° 37 of 3 March 2000)

It shall be considered an offence to put into circulation or sell articles falsely representing that it is a patented article. This offence is liable to a fine of not less than Lm100 and not more than Lm500. (Section 50(1))

When the owner of the goods which would be liable to forfeiture, is unknown any magistrate may, by warrant under his hand, direct an officer of the Executive Police, to enter any house, premises or place named in the warrant, and there to search for seize and remove such goods or things. (Section 51)

The goods and things so seized shall be produced before the Court of Magistrates sitting as a Court of criminal judicature, and such Court shall determine whether they are liable to forfeiture under the Act. (Section 52)

In the case where the owner of goods is unknown, the Court shall order the issue of banns stating that the goods or things seized shall be forfeited, unless at the time and place named in the banns the proprietor of such goods or things or other person interested in such goods or things attends before the court and shows cause to the contrary. If the owner, or the interested party fails to attend before the Court, it shall be lawful for the Court to direct that such goods or things be forfeited. (Section 53(1) & (2))

The Court may direct that the goods or things so forfeited be destroyed or disposed of, and may also direct that, out of the net proceeds which may be realized by the disposal of such goods or things and up to the thereof, any persons who, being in good faith, were injured by the forfeiture, be awarded compensation for any loss caused to them. (Section 54)

24.3 Copyright

Whosoever, for gain, or by way of trade prints, manufactures, duplicates or otherwise reproduces or copies, or sells, distributes or otherwise offers for sale or distribution, any article or other thing in violation of the rights of copyright enjoyed by any other person and protected by or under Maltese Law, shall, on conviction, be liable to imprisonment for a term not exceeding one year or to a fine (multa) not exceeding Lm5,000 or to both such fine and imprisonment. (Criminal Code CAP.9 (Section 298B))

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 constitutional and human rights guarantees of a fair trial within a reasonable time apply. There are no Court costs as such in the Criminal Courts, but these Courts may order the person convicted to pay the costs of Court-appointed experts.

In cases instituted upon the complaint of the injured party the complainant may also ask the Court to tax his legal fees and to order that these be paid by the person convicted. This procedure is, however, only applicable in the Courts of Magistrates where fees are usually rather low.
