

BASCAP 25 Best Practices for IPR Enforcement

The scale and gravity of counterfeiting and piracy undermine economic and social welfare worldwide and merit the attention of policymakers at the highest levels of government. Business Action to Stop Counterfeiting and Piracy (BASCAP) – an initiative of the International Chamber of Commerce (ICC) – appeals to government leaders to fortify obligations to protect intellectual property rights (IPR) and strengthen commitments to enforce laws against counterfeiting and piracy.

Specifically, BASCAP calls upon government leaders to strengthen IPR enforcement regimes with a new and strong determination, especially those pursuant to obligations under the WTO TRIPS Agreement. Furthermore, BASCAP calls upon governments leaders to strengthen commitments to ensure adherence to all international IPR Treaties, to abolish all known counterfeit and pirate markets in domestic markets, and to step up efforts to protect and inform consumers about the harms of purchasing (economic) and consuming (health and safety) counterfeit and pirated products.

A solid legal framework establishing robust civil, customs, criminal and internet enforcement rules is ever more critical in the face of escalating IP theft through counterfeiting and piracy. Moreover, it is essential to establish enforcement practices that promote strong IPR protection and to improve the international framework in which national governments could help each other and cooperate in the area of IP protection and enforcement. BASCAP puts forward the following 25 “Best Practices for IPR Enforcement” which embody the essential elements for an effective legal framework for IP enforcement.

To promote better **customs enforcement**, national governments should:

1. Empower customs authorities to take enforcement action against goods which are suspected of infringing intellectual property rights when they are imported, exported, in-transit and in all situations where the goods are under customs supervision including in free trade zones.
2. Empower customs authorities to suspend—acting ex officio or at the request of right holders—the release of goods suspected of infringing intellectual property rights, including goods in transit/transshipment, in free trade zones and those in import or export procedures.
3. Declare that free trade zones are under the jurisdiction of national Customs and provide national Customs with unrestricted rights to enforce IP rights through measures including: right to enter and observe day-to-day operations; audit records

of companies in the zone; and validate goods status and conformance with tariff and non-tariff measures under the national Customs mandate.

4. Permit customs to destroy goods suspected of infringing intellectual property rights, upon request by right holders, and without the need to institute court proceedings so long as the declarant or holder of the shipment does not oppose such destruction.
5. Require that infringers be primarily held liable for storage and destruction costs of infringing goods; and, whenever the identity of the infringer is unknown or the infringer refuses to pay such costs, this liability be transferred to the economic operators involved – whether or not they acted in bad faith – in the trade in infringing goods.

To promote better **civil enforcement**, national governments should:

6. Permit right holders to obtain a court order requiring disclosure of the origin and distribution networks of infringing goods, both from an infringer and from others who are shown to be involved in the production, manufacture, distribution or provision of the infringing goods.
7. Permit right holders access to provisional measures to prevent any imminent infringement of their IPR or to forbid the continuation of the alleged infringement, including provisions for judicial authorities to order the seizure of goods suspected of infringing IPR so as to prevent their entry into or movement within the channels of commerce.
8. Empower national courts to issue an injunction aimed at prohibiting the continuation of an infringement and ensure that non-compliance be subject to recurring fines.
9. Grant the judicial authorities the power to order, at the right holder's request, that infringing goods be destroyed without compensation to the infringer.
10. Ensure that right holders are compensated fully for the injury suffered as a result of the infringement, and that infringers retain no economic benefit from their infringing activities. Implement "lump-sum" or "multiple" damages as a reasonable estimate of right holder losses and infringer benefits from infringement.
11. Provide that all costs reasonably incurred by the right holder in investigating, taking civil action against and rectifying an infringement should be fully compensated by the infringer.

To promote better **criminal enforcement**, national governments should:

12. Ensure that criminal penalties for IP theft reflect the magnitude of the crime including the imposition of higher penalties for infringing activities that have health and safety repercussions. As such, criminal penalties on IPR violations should at least match existing legal penalties for theft of physical merchandise and that these penalties be applied to both online and off-line IP transactions.

13. Institute criminal penalties that include monetary fines sufficiently high to remove the monetary incentive of the infringer and/or incarceration as necessary.
14. Empower enforcement authorities to seize suspected counterfeit goods, along with any related materials used in the commission of the alleged infringement, documentary evidence, and any assets derived from or obtained directly or indirectly through the infringing activity.
15. Empower authorities to confiscate and/or destroy all counterfeit goods, materials used for production of infringing goods and the assets derived from, or obtained directly or indirectly through, the infringing activity.
16. Ensure that proceeds of crime legislation governs illicit activities pertaining to IP infringement, and ensure that IP provisions of such legislation provide; (a) effective implementation of asset tracing, freezing and seizure; (b) a non-conviction based confiscation regime; and (c) reversal of burden of proof and extended confiscation powers to third parties.
17. Empower law enforcement authorities to initiate investigation or legal action of criminal IP offences without the need for a complaint.

To promote better **enforcement in the digital environment**, national governments should:

18. Promote more effective prevention measures by encouraging the development and adoption of standards including those for the appropriate use of advanced technologies, such as automated tools for rapid notice and takedown, filtering and redress and the use of risk scoring services. The use of such expeditious actions should match the speed and volume of transactions on a platform.
19. Clarify that operators may face liability for operating services based on promoting access to infringing materials including offers of counterfeits.
20. Implement meaningful notice and take down procedures for intermediaries providing hosting of or links to IP-infringing or otherwise illegal material or services to those intermediaries.
21. Ensure that courts have the authority to issue orders to intermediaries, without the need for a finding of liability, to take actions to assist in identifying or deterring infringement. (i.e., ISPs to provide information on suspected infringing website owners to law enforcement agencies and rights holders.

To promote better domestic **enforcement practices**, national governments should:

22. Designate a chief intellectual property enforcement officer with high-level authority to raise the profile of the issue, oversee coordination of relevant government officials and agencies, and allocate necessary financial and personnel resources. Such authority could include facilitating engagement between government, right holders and other relevant stakeholders including intermediaries engaged in transport and logistics, retailers, internet service, and payment service.

23. Promote specialized skills training and expertise in IPR cases for law enforcement and justice officials.

To promote better **international cooperation**, national governments should:

24. Cooperate with intergovernmental organizations such as WTO, WIPO and WCO to improve capacity building and technical assistance to other foreign governments to support the implementation and enforcement of IPR.
25. Enhance information sharing with foreign governments, particularly law enforcement agents and border control agents to better identify and target inspection of shipments at the border suspected of containing counterfeit goods.