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**Council for Trade-Related Aspects
of Intellectual Property Rights**

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REVIEW OF LEGISLATION

Responses by Costa Rica to the Questions Posed by Canada, Japan and Switzerland

By means of communications from the Permanent Mission of Costa Rica, dated 23 May 2001, the Secretariat has received the following responses to the questions posed by Canada, Japan and Switzerland circulated in documents IP/C/W/261, 258 and 263, respectively.

CANADA

1. What recourse do right holders have in respect of wilful trademark counterfeiting or copyright piracy on a commercial scale, as required by Article 61 of the TRIPS Agreement and throughout?

With respect to Article 61 of the TRIPS Agreement, one of the main innovations of the Law on Procedures for the Enforcement of Intellectual Property Rights, Law No. 8039 of 12 October 2000, is the establishment of a list of offences for the purpose of protecting legal interests deriving from trademarks and distinctive signs, undisclosed information, copyright and neighbouring rights, patents, industrial designs, utility models and lay-out designs for integrated circuits.

Finally, it should be noted that Law No. 8039 provides for the seizure and destruction of goods found to be fraudulent by a criminal court, whether on application or ex officio.

2. What protection does your copyright legislation afford to "foreign works"?

In accordance with Article 3 of the Law on Copyright and Neighbouring Rights, Law No. 6683 of 14 October 1982 and its amendments, the works of foreign authors resident abroad enjoy in Costa Rica the protection accorded them under international conventions to which Costa Rica is a party.

By Law No. 6083 of 29 August 1977, Costa Rica adopted the Berne Convention for the Protection of Literary and Artistic Works under which it applies the criteria of eligibility for protection laid down in Article 3 of the Convention, that is to say, according to the nationality of the author or the place of publication of the work.

JAPAN

A. COPYRIGHT AND NEIGHBOURING RIGHTS

1. Please explain exceptions or exemptions of the National Treatment and Most-Favoured-Nation Treatment under the Copyright and Neighbouring Rights Law, if any, as permitted in Articles 3 and 4 of the TRIPS Agreement.

Costa Rica does not provide for any exception to the principles of national treatment and most-favoured-nation treatment under the Law on Copyright and Neighbouring Rights, Law No. 6683 of 14 October 1982 and its amendments.

In this connection, Costa Rica has not notified the World Intellectual Property Organization (WIPO) of any restriction of protection under Article 6 of the Berne Convention for the Protection of Literary and Artistic Works nor of any reservation under Article 16 of the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations.

SWITZERLAND

A. GEOGRAPHICAL INDICATIONS

1. Please explain in detail how your legislation provides protection for geographical indications.

The Law on Trademarks and Other Distinctive Signs, Law No. 7978 of 6 January 2000, defines geographical indications as the geographical name of a country, region or locality used in the presentation of a good to indicate its place of origin, provenance, manufacture, harvesting or mining.

This Law does not permit a geographical indication to be used in trade for any purpose connected with the designation or presentation of a product or service if such indication is false or indicates or suggests to the public a false or deceptive notion of its origin or if its use might mislead the public as to the origin, provenance, characteristics or qualities of the product or services.

Geographical indications may not be used in such a way that they constitute an act of unfair competition.

In addition, the Law prohibits the use in advertising and in trade documentation relating to the sale, presentation or offer of products or services of an indication liable to create confusion or error as to the geographical origin of the products because they did not originate in the place designated by the geographical indication or, even if the origin of the product or service is indicated, where confusion is nevertheless created in the minds of the public. Law No. 7978 also prohibits the use of expressions such as "kind", "type", "style", "imitation" or the like in the registration of trademarks.

In connection with the procedure and conditions for registering appellations of origin, it should be noted that Article 75ff. of Law No. 7978 contain the most important special provisions, including: prohibition, application, procedure, duration, and modification and cancellation of the registration.

B. PATENTS

2. Does your legislation grant patent protection to all categories of products or are there any exceptions? If so, please explain in detail what kind of exceptions exist and how they comply with Article 27 of the TRIPS Agreement.

Article 1 of the Law on Patents, Industrial Designs and Utility Models, Law No. 6867 of 25 April 1983, as amended by Law No. 7979 of 6 January 2000, defines what is meant by patentable inventions. *Inter alia*, they may be products or processes, among which pharmaceutical products are regarded as inventions.

Likewise, Article 1 of the aforementioned Law No. 6867 indicates what is not regarded as an invention, together with a series of exceptions to patentability.

For the purposes of the Patent Law, the following are not regarded as inventions:

- Discoveries, scientific theories, mathematical methods and computer programs considered in isolation.
- Purely aesthetic creations, literary and artistic works.
- Plans, principles and methods pertaining to economics, advertising or business, those relating to purely mental and intellectual activities, and games.
- The juxtaposition of known inventions or the mixing of known products, or the alteration of the form, dimensions or materials thereof, except where they are so combined or merged that they cannot function separately, or where their characteristic properties or functions are altered to produce an industrial result that is not obvious to a person with technical skill in the field concerned.

The exceptions mentioned in Law No. 6867 and its amendments are as follows:

- Inventions, the prevention of the commercial exploitation of which is objectively necessary to protect *ordre public*, morality or human, animal or plant life or health or to avoid serious prejudice to the environment.
- Diagnostic, therapeutic and surgical methods for the treatment of humans or animals.
- Plants and animals.
- Essentially biological processes for the production of plants or animals.

3. Does your legislation, in accordance with Article 27.1 in combination with Article 31 of the TRIPS Agreement, consider importation as "working" a patent (and therefore preclude compulsory licensing, if a product is being imported)?

In compliance with the obligation deriving from Article 27.1 of the TRIPS Agreement, Article 2.7 of Law No. 6867 of 25 April 1983 and its amendments establish that all products or processes that meet the patentability requirements of the Law shall be patentable inventions, without discrimination as to the place of invention, the field of technology or whether the products are imported or locally produced.

Likewise, Article 18 of the aforementioned Law contains provisions concerning lack or insufficiency of industrial exploitation, which are consistent with Article 31 of the TRIPS Agreement. This Article specifies that the granting of a patent brings with it the obligation to exploit the patent in Costa Rica, continuously and steadily, so that the market is suitably and reasonably supplied within a period of three years from the granting of the patent or four years from the patent application, whichever is the longer. Moreover, exploitation may not be suspended for more than one year. For these purposes, local production and lawful importation are regarded as forms of exploitation.

4. Does your legislation make the granting of a compulsory licence subject to all the conditions enumerated in Article 31 of the TRIPS Agreement? Please cite the relevant provisions of law.

The Law on Patents, Industrial Designs and Utility Models, Law No. 6867 of 25 April 1983 and its amendments, provides for the granting of compulsory licences subject to the conditions of Article 31 of the TRIPS Agreement.

The provisions implementing the obligations deriving from the aforesaid Article 31 are paragraphs 1, 5, 6, 7, 9 and 10 of Article 18 and paragraphs (a) and (b) of Article 19 of Law No. 6867. See also Articles 25 and 30 of the Law on Procedures for the Enforcement of Intellectual Property Rights, Law No. 8039 of 12 October 2000.

5. Does your legislation provide for the principle of the reversal of burden of proof in a process patent litigation? Please cite the relevant provisions of law.

Costa Rican legislation incorporates the principle of burden of proof for process patents in accordance with the obligation deriving from Article 34 of the TRIPS Agreement. The specific provision implementing that obligation can be found in Article 39 of the Law on Procedures for the Enforcement of Intellectual Property Rights, Law 8039 of 12 October 2000.

C. PROTECTION OF UNDISCLOSED INFORMATION

6. Please explain in detail if your legislation ensures that undisclosed test or other data submitted by an applicant to the responsible State agency in the procedure for market authorization of a pharmaceutical or of an agricultural chemical product is protected against disclosure and against unfair commercial use by a competitor, for example by prohibiting a second applicant from relying on, or from referring to the original data of the first applicant, when applying subsequently for market authorization for his own product. Does your legislation provide for exceptions to this? If yes, under what conditions would such exceptions apply? Does your legislation set a specific term of protection for undisclosed test or other data of the first applicant?

Before the entry into force of the Law on Undisclosed Information, Law No. 7975 of 4 January 2000, Costa Rica did not have any legislation of this kind.

Among other things, Law No. 7975 provides that where undisclosed test or other data must be submitted as a condition of approval of the marketing of pharmaceutical or agricultural chemical products, such data shall be protected against any unfair commercial use and any disclosure, except where the use of such data is necessary to protect the public or steps are taken to ensure protection against any unfair commercial use.

The competent bodies are currently working on the regulations necessary to implement this legislation. Among other things, the regulations will deal in more detail with the scope of what may be regarded as practices that unreasonably restrain trade.

Despite the fact that the regulations are still being drafted, it should be pointed out that Article 8 of Law No. 7975 not only includes the provisions of Article 39 of the TRIPS Agreement but also those of Article 8 of that Agreement which – like Article 8 of the Costa Rican Law – states that Members may apply appropriate measures, provided that they are consistent with the provisions of the TRIPS Agreement, to prevent the abuse of intellectual property rights by right holders or the resort to practices that unreasonably restrain trade.

D. ENFORCEMENT

7. Please indicate remedies provided by your legislation, which constitute effective deterrents to infringements of intellectual property rights.

The Law on Procedures for the Enforcement of Intellectual Property Rights introduces important provisions for protecting the holders of intellectual property rights through the establishment of provisional measures, border measures, administrative proceedings and civil and criminal proceedings.

The most relevant aspects of these provisions are as follows:

- Protection of intellectual property right holders by means of rules required in connection with provisional measures (including those applied by customs).
- Applicability of provisional measures by the administrative or judicial authority, provided that the applicant can show that he is in fact the holder or his representative. The competent authority will require security from the applicant sufficient to protect the alleged infringer and prevent abuse.
- Requirement to grant a hearing on the application of provisional measures, unless this might render them ineffective; however, where a provisional measure has been executed without a hearing, the authority shall notify the party concerned within three working days of its execution, at the latest.
- The applicant must file an administrative complaint or initiate legal proceedings within one month of notification of the decision adopting the provisional measure.
- The right holder may request the administrative or judicial authority to order the customs authorities to suspend importation or exportation at the time of clearance; however, he must show that he is in fact the holder or his representative, provide security and supply the necessary information and a description of the goods so that the customs authorities can easily identify them.
- The customs authorities must act ex officio and suspend clearance of the goods if there is a presumption that they infringe an intellectual property right. The authorities must report the commission of the offence to the Public Prosecutor's Office within 24 hours of retaining the goods.
- The judicial authorities may order the customs authorities to destroy or remove the infringing goods.
- Protection of injured parties in the event of unjustified retention of the goods.

- Establishment of an Administrative Registration Tribunal which will exhaust the administrative remedies and hear appeals against decisions taken by the Industrial Property Registry and the National Copyright and Neighbouring Rights Registry.
- Provision for the holding of summary civil intellectual property proceedings.
- Prison sentences for offences against intellectual property rights.

8. Please describe any new initiatives that are planned to improve enforcement of intellectual property rights in your country, particularly initiatives related to criminal enforcement.

Although the new Law on Procedures for the Enforcement of Intellectual Property Rights has only been in force for a short time, Costa Rica has made significant progress and there have already been several positive cases of application of the legislation, such as, for example, seizure operations carried out against several enterprises engaged in counterfeiting trademarks.

Nevertheless, the Government of Costa Rica is aware that the promulgation of the Law on Enforcement No. 8039 is only the beginning of a legislative and educational process of securing effective protection for intellectual property rights. Accordingly, the Government has taken the initiative of submitting to the Legislative Assembly a draft law amending Law No. 8039 which will lengthen sentences for offences against intellectual property rights, reform the proceedings against copyright to make them public and repeal Article 70 of the Law relating to the principle of significant injury.
