

Brand protection at the Lao border: insights and strategies from the front line

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In this series, we take readers on a journey to understand the challenges of – and best solutions for – brand protection at the borders and ports of entry in various countries.

Our next stop: Laos.

Today, Nguyen Vu Quan, a partner at KENFOX IP & Law Office, provides advice on how to collaborate effectively with customs officials at Lao border points and ports. Below, we explore the frontline of brand protection in Laos, providing a guide on how to most successfully monitor for – and enforce against – counterfeit and grey market goods.

Can rights holders record trademark and brand-related IP information with Customs and, if so, how?

In Laos, customs recordal may serve as an effective means for enforcing IP rights as it prevents and suppresses the movement of counterfeit goods at the borders. To take advantage of this, rights holders must submit a formal request with the Laos Customs Department.

The process typically involves the following steps.

Submit a customs recordal request

The rights holder submits an application, including all necessary documents and fees, to Customs. The official fee for a trademark customs recordal request is approximately \$30.

Application examination

Customs reviews the application to ensure its compliance and to confirm the eligibility of the IP owner for recording the IP subject matter. This involves verifying that the application contains all required information and that the documents are valid and authentic.

Notice of deficiencies (if any)

If Customs identifies missing documents or deems provided documents to be invalid, it may issue a notice of deficiencies to the trademark owner. This notice outlines the specific issues with the application and sets a deadline for the trademark owner to submit the necessary corrections.

Application approval

Upon satisfactory submission of all required documents and information, Customs will approve the recordal request within 10 working days. The trademark owner's information and trademark details will be entered into the customs recordal system. An official notice will be issued to border authorities, instructing them to monitor and prevent the crossing of counterfeit goods.

Customs recordal becomes effective from the date of approval and remains valid for two years. It can be renewed every two years upon the applicant's request.

After a customs recordal request has been approved, the recorded information will be forwarded to the provincial and capital customs offices, serving as a reference for officers inspecting goods at the Lao border. The rights holder can utilise the customs system to request the seizure of any goods that infringe on its rights.

Are copyright registrations also registerable with Customs?

Customs recordal in Laos is applicable for trademark, design and copyright registrations. The procedures and authorities involved in examining the customs recordal of these IP rights are the same.

Copyright owners seeking to record their copyrights with Customs must submit an application alongside the required documents and fees. One of the essential documents is a copyright registration certificate in Laos.

Despite being a signatory to the Berne Convention, Laos handles copyrights territorially. Copyright owners are advised to register their works in the country to ensure comprehensive IP protection. This recommendation is due to limited knowledge of copyright law in Laos, a lack of confidence from enforcement authorities and their increasing reluctance to take action in cases where copyright infringement is not obvious.

In light of the above, copyright holders seeking to protect their works through Laos border control measures are required to provide a Laos copyright registration when proceeding with recordal at Customs.

Can brand owners send customs officials a product information guide or any additional materials to assist them in identifying genuine products?

To increase the effectiveness of customs recordal, trademark owners should furnish Customs with clear and detailed information regarding their registered trademarks. The following information can aid customs officials in identifying counterfeit goods:

- images, descriptions and samples of genuine products;
- a list of characteristics to distinguish genuine goods from infringing goods; and
- equipment or tools to differentiate the original and counterfeit products.

Such details can be submitted in soft or hard copy, provided that they are clear, comprehensive and in good condition.

What is the typical process for confiscation or further investigation in the event that customs officials identify potentially counterfeit goods?

Customs officials will inspect and compare goods with the information provided in the customs declaration and recordal. This includes examining photos, descriptions and distinctive characteristics.

If there are insufficient grounds to determine that the goods are counterfeit or infringing, further verification and investigation will be required.

Once suspicious goods are detected, Customs will detain the goods and issue notices to the product owner or importer and the rights holder to inform it and seek its confirmation.

Upon receiving the notification, the rights holder has three working days to confirm whether the suspected goods are counterfeit. In the absence of evidence provided by the importer to prove otherwise, the counterfeit items will be subject to destruction.

However, if the importer disputes the infringement claim and asserts that the goods are not infringing and it does not reach a mutual agreement with the rights holder, the rights holder may opt to temporarily suspend the suspected goods. During this temporary suspension, both the product owner and applicant can access and inspect the goods.

After three working days, if the right holder fails to give its confirmation of the counterfeit goods, customs officials will release the goods.

Inspection and suspension procedures

Under Laos IP law and the instruction on Customs measures for IP rights protection, if customs officials notify a rights holder of suspected goods or if a rights holder has valid grounds to suspect that certain goods infringe upon its IP rights during importation, exportation or transit, it can request for Customs to get involved through an inspection and suspension procedure. This process involves the following steps.

Application filing

The rights holder files an application to Customs to inspect and suspend such goods, using the form issued by Customs. A security deposit of K10 million (about \$485) must be included with the application.

Customs review

Upon receiving the application, the customs authorities will, within three working days, issue instructions along with the application and supporting documents to the relevant customs officer to inspect the suspected goods. Otherwise, Customs will serve the applicant a written notice with reasons for rejection.

Immediate suspension

If customs officials discover the suspected goods, they will immediately issue an order to suspend the goods. Within 24 hours, a written notice of the suspension will be sent to both the importer or exporter and the rights holder. Additionally, a copy of the notice will be forwarded to the customs department or pertinent regional customs office.

Customs may maintain the suspension for 10 working days. The suspension period may be extended if the applicant provides evidence that judicial action has been initiated.

Judicial action

The applicant must initiate judicial action with the People's Court against the owner of the allegedly infringing goods within 10 working days of receipt of the notice of suspension. Failure to initiate judicial action within the statutory time entitles Customs to release the goods immediately.

Outcome of court decision

Where a People's Court decision rules that the suspended goods are infringing, the owner of the goods will be fined in accordance with the Customs Law. However, if the People's Court rules that the suspended goods are not infringing, the customs officer will utilise the applicant's security (deposit) to cover any expenses and damages resulting from the suspension, as per the People's Court decision.

How will brand owners typically be contacted when suspicious or counterfeit goods are identified?

Brand owners will receive a notification from Customs through their IP representative. They are then required to confirm, within three working days, whether the suspected goods are counterfeit. They must promptly inform Customs and request for the goods to be seized.

Further, brand owners are encouraged to conduct thorough searches and investigations to assess the extent of the counterfeiting operation. Gathering substantial information about the infringer is crucial. The evidence may prove essential if the brand owner initiates legal proceedings.

Are there any time-sensitive considerations that brand owners should be aware of when dealing with customs-related IP enforcement?

Brand owners must respond within a strict three-day window upon receiving any notice from Customs regarding suspected goods. Failing that, Customs can legally proceed to release the suspected goods.

In case a rights holder files an application with Customs to inspect and suspend counterfeit goods, any detected and retained items must be addressed through judicial action within 10 working days. Failure to do so results in the immediate release of the detained goods. The rights holder may also be liable to compensate the owner of the goods for any damages incurred.

Once litigation has commenced, brand owners can obtain a court order instructing Customs to destroy the counterfeit goods. They can also seek compensation for costs, damages and other potential remedies as deemed appropriate by the court.

What are the potential costs involved in working with customs officials to protect a brand's intellectual property, and how can these costs be managed effectively?

To safeguard IP rights in Laos through the customs system, rights holders generally allocate a sufficient budget for strategic actions and measures. These expenses should cover the costs of customs recordal and the procedure for inspection and suspension.

Under Article 32 of the Customs Law (revised in 2019), if a rights holder possesses reliable information that imported, exported or transited goods infringe its trademarks or copyrights, it can submit a request to Customs for the inspection and temporary seizure of such goods. The rights holder must also deposit a security of K10 million (about \$485).

Moreover, the rights holder must prepare a reasonable amount in the event of pursuing judicial action before the courts. If the ruling is unfavourable, the rights holder may be liable to compensate the owner of the goods for damages suffered.

To avoid incurring potential costs to Customs and engaging in civil court cases, rights holders are advised to conduct thorough searches and investigations to learn about the importer and the extent of the suspected shipments. Actions such as sending a cease and desist letter and obtaining agreement with the importer to destroy the counterfeit goods and stop the infringement often benefit the rights holder more than lengthy and uncertain court proceedings. Many IP disputes are resolved through warning letters and agreements.

Can you provide examples of successful collaborations between international companies and customs authorities that have resulted in tangible results?

Border control is relatively new to most of the officials, due to infrequent counterfeit product suspensions by Customs. Currently, there is no published record of customs seizures in Laos.

What proactive strategies can brand owners employ to enhance their partnerships with customs officials and improve their chances of intercepting counterfeit goods before they enter/exit the market?

Customs recordal can be an effective means of enforcing IP rights in Laos because it provides a legal framework for customs officials to take action against counterfeit products at the border. Through recordals, businesses can furnish details about their IP rights to Customs. This information equips Customs with the ability to identify and seize infringing goods, which can prevent counterfeit products from entering the country.

However, relying solely on customs recordal is not a foolproof enforcement method. It requires vigilance and cooperation between the IP owner and Customs to effectively identify and stop infringing goods.

There are several actions that a trademark owner can take to improve its partnership with Customs and the effectiveness of customs recordal.

Provide clear and detailed information

Trademark owners should provide customs officials with clear and detailed information about their registered trademarks (eg, images, descriptions and samples of genuine products).

Conduct training and awareness programmes

Trademark owners can work with Customs to conduct training and awareness programmes on how to identify counterfeit goods. This can include training on:

- the specific and distinctive characteristics of the trademark;
- techniques to distinguish between genuine and counterfeit goods; and
- the use of tools and technologies for counterfeit detection.

Monitor and communicate with Customs

Trademark owners should monitor the customs recordal system to ensure that their trademarks are being properly recorded and that customs officials are taking action against infringing goods. They should also maintain open communication with Customs and provide it with additional information and support. It is important to keep Customs informed and provide it with relevant and up-to-date information that will assist customs officials in identifying counterfeit goods easily.

Work with local law enforcement

Trademark owners can work with local law enforcement agencies to share information and coordinate enforcement efforts. This can help to identify the source of counterfeit goods and take legal action against infringers.

Engage in public awareness campaigns

Public awareness campaigns can educate consumers about the dangers of counterfeit goods and promote the importance of trademark protection. This can help to reduce the demand for counterfeit products and increase public support for trademark enforcement efforts.

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