

SUMMARY INFORMATION
ON THE ACTIONS OF THE GOVERNMENT OF BULGARIA IN THE FIELD OF
PROTECTION OF INTELLECTUAL PROPERTY IN 2020

MINISTRY OF ECONOMY

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In recent years, the Bulgarian government continues to devote a special place to the protection of intellectual property rights (IPR)

The removal of Bulgaria in April 2018 from the Watch List under Section "Special 301" of the US Commercial Code of the countries that do not have adequate IPR protection, was an assessment of our country's achievements in the field of protection of IPR. After that, Bulgaria continued to work on the recommendations in the reports under Section "Special 301", related to continuing the efforts in the fight against Internet piracy, the cessation of some torrent trackers, the effectiveness of the justice system in dealing with intellectual property cases.

In a telephone conversation on 18 November 2020 between the Ambassador of Bulgaria to the United States, Mr. Tihomir Stoytchev, and Mr. Matt Murray, Deputy Assistant Secretary for Trade Policy in the Bureau of Economic and Business Affairs of the State Department, the US re-evaluated the progress made by Bulgaria in recent years in the field of IPR protection, which led to the country's removal from the Watch list under section "Special 301", and drew attention to two main issues that needed to be addressed:

1. The use of seized material as physical evidence, evidence sampling to facilitate the investigation.
2. Criminal prosecution of violations of IPR and termination of the activity of the pirate sites - torrent trackers Zamunda.net and Arena.bg.

Regarding the review under Section "Special 301" of the US Commercial Code for 2020, the Ministry of Economy provides the following information on the actions taken by the competent Bulgarian authorities for improving the protection of intellectual property rights in 2020.

1. Use of seized material as physical evidence, evidence sampling to facilitate the investigation.

On the issue of using the so-called evidence "sampling" of seized physical material in the investigation of IPR crimes, the opinion of the Prosecutor's Office is that under the current substantive and procedural criminal law, the use of evidence sampling as physical evidence is difficult or impossible to be applied in this type of cases. The practice of drug cases in which sampling is used as evidence is not applicable. In 2020, actions were taken to identify the problems in the case law and probable regulatory deficits related to the possibility of assigning expert examinations, which inspect (put to expertise) a "sampling" of the object of the crime.

In cases, initiated against infringements of copyright and related rights via the Internet, evidence is collected for multiple and diverse objects with different types of rights, the holders of which are entities, located on the territory of Bulgaria or abroad. According to Bulgarian law, each of these holders of intellectual property rights could claim their rights in criminal proceedings. Bulgarian prosecutors and investigative bodies do not have the right to choose which case of violated rights to deal with but are obliged to investigate the circumstances related to all IP objects.

2. Criminal prosecution of IPR violations and termination of the activity of the pirate sites - torrent trackers Zamunda.net and Arena.bg.

In connection with the control over the activity of the platforms Zamunda, Arena, etc., which provide access to unlicensed film content, coordination meetings were held between the Ministry of Culture (Copyright and Related Rights Directorate), the Prosecutor's Office of the

Republic of Bulgaria and the General Directorate for Combating Organised Crime to the Ministry of Interior (DGCOC – Ministry of Interior).

With regard to Zamunda and Arena, as well as two other torrent sites, the Sofia Regional Prosecutor's Office has instituted four pre-trial proceedings (PP) related to copyright infringement through their activities. In the course of the initiated PP, numerous investigative actions were carried out - interrogation of witnesses, website inspections, preparing and sending requests for legal aid to the competent authorities in the USA, Australia, Sweden, Switzerland, Bosnia and Herzegovina, with a request for information and termination of users' access to the specified sites. The engagement of the prosecutors of the Sofia Regional Prosecutor's Office, monitored by the Supreme Prosecutor's Office of Cassation in counteracting the unauthorised distribution of movies, is in line with their understanding of the high degree of public danger of these acts.

- The first PP was initiated on 15.07.2020. in relation to the fact that for the period from an unspecified date up to 01.11.2019, via the website **www.rarbg.to**, an unknown perpetrator offered wireless and cable access to an unlimited number of persons to protected objects of copyright and related rights, without the legally required consent of the holders of these rights or their representatives (in this case Nova Broadcasting Group and HBO Bulgaria).

- The second PP was initiated on 20.07.2020 in relation to the fact that from an unspecified date in 2006 up to February 2020, via the website **https://zamunda.net**, foreign objects of copyright and related rights were unlawfully used, without the legally required consent of the holders of these rights or their representatives.

- The third PP was initiated on 20.07.2020 in relation to the fact that from an unspecified date up to 01.11.2019 via the site **https://arenabg.com**, an unknown perpetrator distributed, transmitted or otherwise used foreign objects of copyright and related rights, without the legally required consent of the holders of these rights or their representatives.

- The fourth PP was initiated on 11.09.2020 in relation to the fact that in the period from 2013 to the present moment via an Internet site **http://zelka.org**, an unknown perpetrator distributed, transmitted or otherwise used foreign objects of copyright and related rights, without the legally required consent of the holders of these rights or their representatives.

Information from competent institutions in the field of IPR protection

Information of the Prosecutor's Office of the Republic of Bulgaria (PORB) on improving the efficiency of the justice system and coordination between investigating authorities and the judiciary in dealing with IPR cases, imposing of dissuasive sentences.

Pursuant to the commitments of the Prosecutor's Office of the Republic of Bulgaria to increase the efficiency of the work on cases of crimes against intellectual property and pursuant to Art. 136, paragraph 6 and paragraph 7, letters "d" and "e" of the Judiciary Act, with an order of 18.05.2018 of the Prosecutor General of the Republic of Bulgaria, the **Methodological Guidelines for Work on Files and Cases of Crimes against Intellectual Property** were approved.

The work of prosecutors on cases of crimes against intellectual property is organised in accordance with the Methodological Guidelines for Work on Files and Cases of Crimes against Intellectual Property, approved by the Prosecutor General. According to the introduced procedure, the regional prosecutor's offices shall send the relevant information to the Supreme

Prosecutor's Office (SPoC) of Cassation about the initiation, course and results of files and cases, initiated for crimes against intellectual property. In the Supreme Prosecutor's Office of Cassation, the development of files and criminal proceedings is monitored by prosecutors of the Specialised Department of the SPoC, which if necessary, may assign to the higher prosecutor's offices and/or carry out inspections of their own motion on the lawfulness of acts, ruled by first instance prosecutors.

The performed monitoring enables the establishment and analysis of new forms of criminal activity, e.g., the so-called "Small consignments" via forwarding companies, as well as to give instructions to the first instance prosecutor's offices for their effective investigation, including by supplementing the Methodological Guidelines.

The Prosecutor's Office actively uses the instruments of international legal cooperation in cases of crimes against intellectual property - European Investigation Order (EIO), Request for Legal Aid (RLA). On topics related to counteracting the crimes against IPR, prosecutors and investigating magistrates participated in the following training courses:

- Training on "The use of digital expertise as evidence in criminal investigations" with lecturer Mr. Patrick Boismenu, an expert from the United Nations Office on Drugs and Crime, held at the National Institute of Justice.
- Training on "International legal cooperation in criminal matters - practical aspects of the fight against cybercrime", organised by the European Judicial Training Network, held in Omšenie, Slovak Republic.

Statistical information of the PORB on the pre-trial proceedings (PP), initiated for crimes against intellectual property rights.

I. Newly initiated PP for crimes against IPR under Art. 172a of the Criminal Code and Art. 172b of the Criminal Code for the nine months of 2020 (01.01.2020 - 30.09.2020)

Total number of PP - 217 (268 for the same period of 2019, 203 for 2018), including:

- Under Art. 172a of the Criminal Code (infringements of copyright and related rights) - **17** PP (11 for the same period of 2019, 9 for the same period of 2018)
- Under Art. 172b of the Criminal Code (violations of industrial property rights) - **199** PP (256 for the same period of 2019, 194 for the same period of 2018)

II. Prosecutor's acts submitted to the court (indictments, agreements, proposals under Art. 78a of the Criminal Code) and number of accused persons under them.

A total of 105 prosecutor's acts against 108 accused persons (84 prosecutor's acts against 89 accused persons for 2019, 87 prosecutor's acts against 92 accused persons for the same period in 2018), including:

- Under Art. 172a of the Criminal Code - 1 prosecutor's act against 1 accused person (1 act against 1 person for the same period of 2019, 1 act against 1 person for the same period of 2018)
- Under Art. 172b of the Criminal Code - 104 prosecutor's acts against 107 accused persons (66 acts against 71 accused persons for 2019, 86 acts against 91 persons for the same period of 2018)

III. Convictions/sanctions and types of imposed penalties:

Total number of sanctioned persons - **89** (81 for the same period of 2019, 67 for the same period of 2018)

- Under Art. 172a of the Criminal Code, there are no convicted persons with an effective sentence/decision (2 persons, convicted with an effective sentence/decision for the same period of 2018)
- Under Art. 172b of the Criminal Code, 89 persons were convicted with an effective sentence/decision (81 persons, convicted with an effective sentence/decision for the same period of 2019, 65 persons, convicted with an effective sentence/decision for the same period of 2018)

Imposed penalties:

- Conditional deprivation of liberty - **37** (for the same period of 2019 - 29, for the same period of 2018 - 29)
- Effective deprivation of liberty - **0** (0 for the same period in 2019)
- Probation - **51** (for the same period of 2019 - 50, for the same period of 2018 - 35)
- Fine - **46** (for the same period of 2019 - 29, for the same period of 2018 - 27)

As the above data show the number of cases initiated for crimes against IPR has increasedq as well as the number of prosecutor's acts submitted to court and the persons accused under them and the number of convicting judicial acts that have entered into force.

Information of the Ministry of Interior (MoI). The activity of the MoI's bodies, as part of the national system for protection of IPR, is aimed at counteracting crimes against intellectual property by detecting, intercepting and documenting crimes under Art. 172A and Art. 172B of the Criminal Code, part of Chapter Three, Section VII, "Crimes against Intellectual Property".

Pursuant to Art. 39, para. 2, point 4 of the Ministry of Interior Act, the following structural units deal with the protection of intellectual property (copyright and industrial property) and the application of measures for counteracting criminal infringement against IPR:

- The Specialised Department "Cybercrime" to the General Directorate "Combating Organised Crime" (DGCOC), in particular the Sector "Illegal Content on the Internet".
- The structural units of the Department "Economic Police" to the General Directorate "National Police" (DGNP) in the capital, and in the country – at the regional directorates of the Ministry of Interior and the Computer Crimes Sector to the EPD.

In 2020, working meetings and joint inspections were held with representatives of the Patent Office and the Ministry of Culture, aimed at improving inter-institutional interaction and exercising effective control of the observance of the copyright and trademark law provisions. The Specialised police operations (SPO) have provided:

- assistance to the officials of the Patent Office in their inspections of legal entities for violations under Art. 81 of the Trademarks and Geographical Indications Act (TGIA) and Art. 65 of the Industrial Design Act (IDA);
- assistance to inspectors from the Directorate "Copyright and Related Rights" to the Ministry of Culture in their inspections of legal entities for violations under Art. 98 of the Copyright and Related Rights Act.

DGNP staff members took an active part in Europol-supported international operations Silver Axe V (aimed against importing and distributing unusable, banned or counterfeit plant protection products) and LUDUS (aimed against the import and placing on the market of counterfeit or dangerous toys).

In 2020, DGNP officials conducted 9 SPOs on the territory of the country, aimed against the distribution and unauthorised commercial use of validly registered intellectual property objects, for example:

- On 31.01.2020, a SPO was conducted on the territory of the town of Dupnitsa and three trade sites were inspected that sold goods with copied signs of well-known brands. The imitations found in the sites (over 1000 items of clothing, shoes and accessories) were seized and three criminal proceedings were instituted.
- During the SPO, conducted on 28.07.2020 in the city of Varna, 350 items (clothes and shoes) were found and seized, which represented imitations of validly registered marks. Two pre-trial proceedings were instituted.
- In August and September, several SPOs were conducted in the Black Sea resorts, during which counterfeit goods (over 2000 items) were seized and eight pre-trial proceedings were instituted.

Thematic police operations, directed against the unauthorised commercial use of objects of industrial property and the illegal distribution of copyright content, were also carried out by the territorial police structures of the Ministry of Interior in the country. Thousands of counterfeit goods were seized, including marked blanks for cigarette boxes (15 750 kg) and filter paper for cigarettes (14 000 kg); some cases of unauthorised use of specialised software were revealed (video games, TV box devices with installed applications).

The materials from the inspections were reported to the competent prosecutor's offices for resolving the cases in substance, and at the same time precautionary measures provided by law were taken for confiscation in favour of the state of the property, which was the object of the crime.

In 2020, the Specialized Cybercrime Unit of the General Directorate for Combating Organized Crime and in particular the Illegal Content on the Internet Sector took specific measures and actions to protect intellectual property rights in Bulgaria, initiating 16 PPs and conducting 8 specialized police operations (SPO).

In 2020, the specialised Department "Cybercrime" to the DGCOC and in particular the Sector "Illegal Content on the Internet" took specific measures and actions for the protection of intellectual property rights in Bulgaria q, initiating 16 PPs and conducting 8 specialised police operations (SPO).

- **In the period 20.01-22.01.2020**, a SPO was conducted by officers of the DGCOC, the TSCOC Haskovo, Kardzhali, together with the Gendarmerie Directorate, experts from the Ministry of Culture (MoC), the Communications Regulation Commission (CRC), the National Revenue Agency (NRA), under the leadership of the Regional Prosecutor's Office-Kardzhali, aiming to intercept and document the activities of two Internet providers, distributing objects of copyright and related rights (television programmes) without permission of the right holder in District of Kardzhali. During the inspection, a discrepancy was found between the number of subscribers and the contracts concluded with end users, and lack of declaration of the provided service as per the requirements of the Copyright and Related Rights Act. During the investigations, numerous documents and computer-information data, concerning the activity of the companies, were seized. Statements of findings were drawn up by the NRA, the CRC and the Ministry of Culture. Work on two pre-trial procedure (PP) initiated for crimes committed under Art. 172a of the Criminal Code is still ongoing.

- **On 04.02.2020**, a large-scale police operation was conducted by officers of DGCOC, TSCOC-Burgas; the Gendarmerie Directorate – Varna, the MoC, the CRC and the NRA, under the leadership of the Supreme Prosecutor's Office of Cassation and the respective district and regional prosecutor's offices in the country, in order to intercept and document the activities of 6 cable operators, distributing television programmes in the cities of Sofia and Varna and the District of Burgas, without the legal consent of the right holders. The operation was supported by specially seconded experts with mobile offices of the Europol Coordination Centre for Combating Intellectual Property (IPC3 - Europol). During the inspection, a discrepancy between the number of subscribers and the contracts concluded with end users was found, as well as lack of formally declaring of the provided service, as per the requirements of the Copyright and Related Rights Act. The companies have numerous acts and warning protocols, and the liabilities to the state of only one of them amount to BGN 1.7 million. Investigations have been carried out at company offices, cash desks and home addresses located in the cities of Sofia, Varna, Burgas and Aytos, from where many documents and computer information data were seized. Statements of findings were drawn up by the NRA, the CRC and the Ministry of Culture. Work on 6 PP initiated for crimes committed under Art. 172a of the Criminal Code is still ongoing.

- **On 11.03.2020**, upon the signal of the US Department of Homeland Security, a SPO was conducted on the territory of the city of Sofia by officers of the DGCOC under the leadership of the Sofia Regional Prosecutor's Office. The purpose of the operation was to intercept and document the activities of persons engaged in illegal online trade in counterfeit car parts and accessories in the country, in Europe and the United States. During the inspection, it was established that a group of people organised illegal import of goods, mainly from Turkey and China, and their subsequent transportation to the storage places on the territory of Sofia, from where the trade activity was carried out through local and foreign online trading platforms. During the investigations more than 480 items, intended for different brands of cars, were found and seized (airbags, components for them, steering wheels, caps, dashboards, etc.), 2 computer configurations, 3 mobile phones, 7 company stamps, 6 cash registers and waybills from different courier companies operating on the territory of Bulgaria, the EU and the USA. Work on PP the initiated for a crime under Art. 172b, para. 1 of the Criminal Code is still ongoing.

- **On 12.05.2020**, upon a signal for expected smuggling of goods from Turkey, bearing the logo of protected trademarks, a regular customs inspection was carried out by officers of TSCOC-Haskovo, Kardzhali and the officials of Customs Agency, at the border checkpoint "Kapitan Andreevo", targeted at 2 trucks with Turkish registration, entering the country. Initially, the trucks passed all the inspections at the checkpoint without any problems but were returned to the checkpoint by officers of TSCOC-Haskovo, Kardzhali. 53 079 different textile goods and sports shoes with the logo of protected trademarks were found and seized (due to the large quantity, the goods could not be specified by brands and number of items). Two Turkish citizens, drivers of the trucks, were detained for up to 24 hours under the Ministry of Interior Act. 2 PP were initiated for crimes committed under Art. 172b of the Criminal Code. The work on the case is still ongoing

- **On 28.05.2020**, a SPO was conducted by officers of the DGCOC, under the supervision of the Sofia Regional Prosecutor's Office, on the territory of the city of Sofia in order to intercept and document the unregulated distribution of literary works (books) on the Internet. Copies of invoices, flash memory, containing computer information data and logos for administration of the server, through which the unregulated activity was carried out, were found

and seized. It was established that the site from which these goods were sold was maintained by a Bulgarian citizen from the city of Varna, where procedural and investigative actions will be carried out. Work on PP initiated for a crime under Art. 172a, paragraph 1 of the Criminal Code is continuing.

- **On 09.06.2020**, upon the signal officers of the DGCOC and TSCOC-Plovdiv, Pazardzhik, Smolyan, under the leadership and supervision of RPO-Plovdiv, conducted a SPO in the cities of Plovdiv and Asenovgrad. The purpose of the operation was to intercept and document the activity of a group of people carrying out illegal sales in the commercial network and online sales of water pumps of a registered trademark, without permission from its right holder. Through an online platform, several water pumps were purchased from the owner of the exclusive right to use the trademark and they underwent product identification. It was found that the items were visibly similar to the original ones, but they differed in their technical characteristics, price and colour of packaging. It was established that the goods were purchased from Turkey and China and were smuggled through the border checkpoints in the country. The financial resources, generated by the criminal activity, were invested in the acquisition of new goods. During the operation 434 water pumps, bearing identification marks of a protected trademark, were found and seized from the warehouses. Work on PP initiated for a crime under Art. 172b, paragraph 1 of the Criminal Code is still ongoing.

- **In the period 20-21.06.2020**, investigative actions were carried out on the territory of Blagoevgrad by officers of DGCOC and the District Directorate of the Ministry of Interior – Blagoevgrad. The purpose was to intercept and document the activities of persons distributing counterfeit products in the commercial network, which are protected under the Nescafe trademark. A total of 18 boxes of instant coffee in 5 card boxes, were found and seized. The product holder performed a product identification and non-compliance with the trade standards was established – the product was determined to be counterfeit. It was found that it was distributed in the trade network of the districts of Blagoevgrad, Kyustendil and Sofia. Two PP were initiated for crimes under Art. 172b of the Criminal Code. Work on the case is still ongoing.

- **On 10 November 2020**, officers of the DGCOC, TSCOCP-Blagoevgrad and Sliven, Yambol, under the supervision of the Specialized Prosecutor's Office (SPO), in execution of a European Investigation Order (EIO) from the Republic of Italy, participated in neutralizing an international organized criminal group for illegal distribution of television programmes through IP television, cybercrime and money laundering. The operation was conducted simultaneously on the territory of 11 European countries. Searches and seizures were carried out on the territory of Bulgaria in the office of a trade company in the town of Petrich, as well as in offices in Sofia, Yambol and Montana, in order to intercept and document the activities of three internet service providers), which distributed objects of copyright law and related rights (television programmes (ISPs) without the permission of the right holder. 9 sets of top box devices for digital signals, 10 switches, 7 devices for signal retransmission, 94 decoders, 7 servers, 3 computer configurations, 1 tablet, 2 routers, 1 DVR, 9 hard disks, 3 satellite dishes, 6 smart devices, as well as a huge number of documents were found and seized. Work on PP initiated for crimes committed under Art. 321, in conjunction with Art. 172a of the Criminal Code is still ongoing.

- **On 25.11.2020**, a SPO was conducted by officers of TSCOC-Haskovo, Kardzhali, under the supervision of the Sofia Prosecutor's Office, on the territory of Haskovo district in order to prevent the smuggling of large quantities of perfumes. During the operation, on the Maritsa Motorway a minivan with a Turkish registration number, driven by a Bulgarian citizen,

was inspected. When opening and inspecting the luggage compartment of the minivan, 3240 perfumes from protected trademarks were found and seized. Work is still going on PP initiated for a crime under Art. 172b of the Criminal Code.

- **On 18.12.2020**, upon a signal for an expected smuggling (from Turkey to Romania) of a large quantity of perfumes bearing trademarks within the meaning of the Law on Trademarks and Geographical Indications, search operations were carried out by officers of TSCOC-Haskovo, Kardzhali in order to intercept and document the criminal activity. A bus (brand and number) with Turkish registration going on the Maritsa Motorway in the direction of Haskovo was stopped for inspection. During the inspection in the luggage compartments, 2754 perfumes and 30 jackets with the logo of registered trademarks were found and seized. A pre-trial procedure (PP) was initiated under the case for a crime under Art. 172b of the Criminal Code. The work on the case is still ongoing.

Over 289 signals were received in the DGCOC in 2020 and as a result, the access to over 4653 individual sites was suspended, as they performed distribution in violation of the Copyright and Related Rights Act.

In 2020, the sector "Illegal content on the Internet" participated actively also in international operations at European and global level:

- Operation Aphrodite (Europol) – which led to the closure of 100 online stores offering online counterfeit medicines, mobile phones, jewellery, watches, clothes, cosmetics, as well as pirated content on the Bulgarian Internet.
- Operation "In our sites" - organised by Europol - aimed at websites that infringe copyright and related rights. The practice of this operation is to seize the domains of sites. The Bulgarian authorities participated in the planning, taking actions and preparation of the final results of the operation.

DGCOC received the 2020 award from the Audio-visual Anti-Piracy Alliance (AAPA), awarded by Executive Vice President Sheila Kassels to a public sector team for a successful initiative in the fight against audio-visual piracy. The Cybercrime Department received this award for the TV pirates operation against five cable operators in Bulgaria, which illegally intercept and distribute over 60 first-class TV channels (foreign and Bulgarian), without the consent of the right holders. AAPA's mission is to lead the fight against audio-visual piracy across Europe, the Middle East and beyond by effectively lobbying, supporting law enforcement and building partnerships to better tackle piracy. The award is a recognition that law enforcement authorities and agencies have the experience and willingness to deal with complex, international organised crime cases that involve many of the characteristics of cybercrime.

Interaction with right holders in the country. The Cybercrime Department of the DGCOC conducts active communication and cooperation in combating crimes against intellectual and industrial property in the private sector. DGCOC staff take part in numerous seminars and meetings with companies representing the private sector, which helps them to gain valuable experience and build opportunities for cooperation in the fight against intellectual property crimes.

Officials of the sector together with the non-governmental organisation "Safe net" gave presentations in schools in the country on safe operation on the Internet. The presentations also cover the topics of infringement of the rights to objects protected by copyright and related rights. It was explained to the children in 50 schools that the free download of content (movies, music, software, e-books, etc.) is an illegal act, and children are advised to use paid platforms

that regulate their copyright relations with the right holders. The "Safe net" plan for 2020 sets again the topics of protection of intellectual property of copyright and related rights when surfing the Internet, aiming at building the digital and media culture in adolescents.

The Ministry of Culture (MoC) pursues policies in the field of copyright and related rights and is a key factor in increasing the share of lawful use of protected objects of copyright and related rights. The Ministry of Culture is a valuable partner of the institutions engaged in counteracting crimes against intellectual property - the Ministry of Interior and the Prosecutor's Office of the Republic of Bulgaria.

The Copyright and Related Rights Directorate (CRRD) monitors the compliance with the Copyright and Related Rights Act in connection with the activities of collective management organisations and with the establishment of administrative violations provided for in Art. 97, paragraph 1 of the CRRD. The Copyright and Related Rights Directorate acts as the Secretariat of the Council for the Protection of Intellectual Property.

The functional competence of CRRD to organise the preparation of copyright expertise appointed by the pre-trial bodies and the Court, as well as the exercise of the powers of the Minister of Culture in joint comprehensive inspections of the competent bodies for protection of intellectual property rights, are key to the effective criminal prosecution.

In 2020, the mass inspections carried out by CRRD included mainly violations of copyright and related rights, affecting the interests of many right holders at the same time. In this regard, inspections were performed upon the signals of rights holders for specific violated rights and in terms of use, characterised by long-term recidivism. The inspections included:

- transmission and retransmission of television programmes;
- public performance of music in venues, organisation of concerts;
- unregulated use of computer programmes.

A lasting trend of the control activity under the Copyright and Related Rights Act is to focus on violations of mass nature, which refer to systematic violators and significantly affect the property interest of the right holders. Among the priority areas of control are:

- Public performance in commercial sites

For unsettled rights for public performance of musical works, inspections are carried out in hotels, restaurants and other sites. All inspections are planned according to the signal letters of the organisations for collective management of rights - Profon and Musicautor. The sharing of information provided by the organisations for collective management of rights allows for more effective control so that as many violators as possible are detected.

- Retransmission

Inspections of television programmes in hotels are performed with regard to wireless broadcasting, transmission or cable retransmission of television programmes. The inspections are carried out on the signals of right holders. A complex methodology for the inspections for retransmission of television programmes is introduced, including the rights for retransmission of musical works in the scope of the inspections.

Following signals from the Filmautor Association, inspections were carried out and administrative criminal proceedings were instituted for unregulated retransmission of audiovisual works. Administrative criminal proceedings have been instituted for violations of the

Copyright and Related Rights Act based on the signals of the Artist Author Association (Artistautor) against Eurocom TV LTD and of the Music Author Association (Musicautor) against BG Music 18 EOOD (Solely owned limited liability company). Administrative criminal proceedings under the Copyright and Related Right Act have also been instituted in respect of printed publications against Pan Publishing House LTD.

General indicators of monitoring activity in 2020

Inspections at commercial sites offering public performance of musical recordings	243
Inspections at enterprises distributing radio and television programmes (including cable and other platform operators), as well as at radio and television organisations	75
Inspections on the use of television programmes in hospitals and hotels	23
Campaign in hairdressing salons with issued administrative protocols	143
Inspections on unauthorised internet access to protected objects of copyright and related rights	21
Inspections on users and distributors of business software related to the use, storage in the memory of computers and possession of computer programmes	5
Other inspections under the Copyright and Related Rights Law - copy centres, distribution of books, etc.	14
Inspections under the Law on the Mandatory Deposit of Printed and Other Works and on the Announcement of Distributors and Providers of Media Services	41

Statistics on the administrative criminal activity in 2020

Acts for established administrative violations (AEAV) issued under the Copyright and Related Rights Act	111
Acts for established administrative violations (AEAV) issued under the Law on the Mandatory Deposit of Printed and Other Works and on the Announcement of Distributors and Providers of Media Services	6
"Mandatory orders" issued within the meaning of Art. 98, paragraph 2, point 4 of the Copyright and Related Rights Act for elimination of discrepancies and violations.	161
Penal decrees issued	102
Resolutions for termination of the administrative-criminal proceedings	86

Cooperation between the Ministry of Culture and the Directorate General for Combating Organised Crime (DGCOC)

The effective operational interaction continues via good coordination and joint actions between the Copyright and Related Rights Directorate in the Ministry of Culture and the Cybercrime Department in the DGCOC – Ministry of Interior, and the Economic Police Department at the Sofia Metropolitan Directorate of Interior, related to the protection of intellectual property rights.

In this regard, the unregulated distribution of television programmes by cable, satellite and IPTV operators is established and documented, and control activity is carried out aiming to prevent, detect and investigate computer crimes or crimes committed in or through computer networks and systems, related to IPR infringement.

Inspectors of the directorate participated as technical assistants in specialised police operations on the territory of the capital and the country. Inspections of cable operators, public restaurants, shops, nightclubs, offices of companies - users of business software, copy centres, etc. were carried out. Consultations were performed at the request of the respective investigating police officer in connection with pre-trial proceedings under Art. 172a of the Criminal Code. 64 expert examinations and expert reports were prepared, assigned by investigating police officers, the court and the prosecutor's office.

Activity of the Copyright and Related Rights Directorate (CRRD) in the field of collective management of rights

CRRD cooperates closely with the interested organisations of the right holders and the business. For unsettled rights for public performance of musical works and literary works related to music, inspections are carried out in hotels, restaurants and other sites. All inspections are planned according to the signal letters of the organisations for collective management of rights - Profon and Musicautor. Sharing of information on the part of the organisations for collective management of rights allows for more effective control so that as many violators as possible are detected.

In 2020, one new independent rights management company was registered. Regarding the registrations of collective rights management organisations, no new registrations have been requested. An inspection was carried out in an organisation for collective management of rights - Association "Theatre Author". It was established that the association had acted in bad faith. Actions were taken to find an alternative local organisation with experience in collective rights management.

CRRD exercises current control over the stage institutes under the jurisdiction of the Ministry of Culture, requesting and receiving from them up-to-date information on the manner of settling the copyrights for premiere performances. In case of difficulties in finding the right holder, the Directorate assists in identifying him and providing contacts. As a result, the signals submitted to the Ministry of Culture for unlawful use of protected copyrighted works by the stage institutes have decreased.

Information campaigns

In 2020, the Directorate distributed information material entitled "Copyright in the Performing Arts". The material is used by specialists in the field of performing arts and aims to acquaint them with some features of the settlement of rights in organising their activities. Emphasis is placed on rights that, due to their specific nature, could remain unsettled. These are the rights of authors and other right holders, whose direct participation in the preparation of

the performances is often not necessary, but their non-settlement of rights is a violation of the Copyright and Related Rights Law.

The Ministry of Economy is implementing the Optical Discs Act, adopted in 2005, and is monitoring the compliance with it. The administration of the licensing regime for the manufacturers of optical discs and matrices to produce optical discs allows for control over the production and distribution of optical discs originating in the Republic of Bulgaria. Additional legislation to the Optical Discs Act is Instruction No. 1 of 21.10.2005 of the Minister of Economy and Energy on the terms and conditions for providing a source identification code (SID code), the methods for determining and placing it. The instruction meets the requirement of Art. 17 of Directive 48/2004/EC for affixing a SID code on optical discs, through which their manufacturer and the production line from which the respective optical disc or matrix for production of optical discs is manufactured can be established. For Bulgarian manufacturers, the SID code provided in the production of optical discs with a recording is also printed on manufactured optical discs without a recording.

Maintaining a Public Register of issued licenses.

Pursuant to the provisions of Art. 39 of the Optical Discs Act, a public register of licenses issued after 14 October 2005 is maintained (number and date of issue, name, registered office, address of management of the licensed trader and type of manufactured optical discs or matrices). As of the end of 2020, the public register contains 28 licenses, 6 valid licenses (five valid licenses for production of optical discs and one license for production of matrices for production of optical discs) and 22 terminated licenses.

Registration of the quarterly reports of the licensed manufacturers submitted to the Ministry of Economy, containing information about the produced discs, the volume of the input raw material for production (polycarbonate) and sales data.

In 2020, two licensed companies declared the production of optical discs. Manufactured optical discs with recording predominate. Following the global trend, the production of optical discs has significantly decreased over the last 10 years, and thus in 2018 compared to 2008 the decrease is fifteen times - from 130 million to 8 million optical discs. In 2019 there is a slight increase. In 2020, production is about 10 million optical discs.

Carrying out periodic inspections of the licensed persons together with the Ministry of Culture and the Ministry of Interior.

In 2020, only 2 routine inspections were carried out, due to the epidemic situation, in the production facilities of the 2 licensed manufacturers of optical discs and matrices to produce optical discs. No violations related to the production of optical discs were found.

The physical piracy of optical discs on the territory of the country is practically stopped or negligible. There is no proven production of pirated optical discs in the country after 2005, due to the strict application of the Optical Discs Act by the responsible institutions – the Ministry of Economy, the Ministry of Culture and the Ministry of Interior. Changing market conditions in the demand and supply of optical discs globally is also a factor.

The Patent Office (PO) is a national state body for legal protection of industrial property objects.

One of the competencies of the PO comprises the administrative-criminal activity, including establishment of violations under Art. 81, para 1 of the Trademarks and Geographical

Indications Law and Art. 65, para 1 of the Industrial Design Act (IDA), in cases of violation of rights on registered trademarks, geographical indications and industrial designs.

Administrative and criminal protection is carried out at the request of the holders of rights to trademarks, geographical indications or industrial designs, at the signal of any third party - user, non-governmental organisation, state institution (e.g., Commission for Consumer Protection, Ministry of Interior, Customs Agency). When carrying out inspections of legal entities for committed violations, assistance is received from the employees of the structural units of the Ministry of Interior.

Infringements of trademark rights, geographical indications and industrial designs is established by an act. Sanctions are imposed by the President of the Patent Office through penal decrees. The goods found during the inspection are confiscated in favour of the state and are destroyed. The aim is to achieve rapid and efficient protection at lower cost for right holders and to act preventively and precautionary against potential infringers.

In 2020, the activity of the PO includes the following:

- A total of **325** requests for inspection were received under Art. 129, para. 1 of the Trademarks and Geographical Indications Law and Art. 66, para. 1 of the Industrial Design Act.

The requests are for inquiries in connection with prosecutorial files regarding activities or actions of persons with illegal behaviour in connection with Art. 172b, para. 1 of the Criminal Code, as well as administrative criminal proceedings instituted under Art. 36, para. 2 of the Administrative Violations and Penalties Act.

- A total of **36** complaints were received regarding initiated administrative criminal proceedings under Art. 129, para. 1 of the Trademarks and Geographical Indications Law, Art. 66, para. 1 of the Industrial Design Act or Art. 36, para. 2 of the Administrative Violations and Penalties Act.
- There are **56** completed administrative criminal proceedings with entered into force Penal Decrees (PD) under the terms and conditions of **Art. 64** of the Administrative Violations and Penalties Act.

According to Order No. 813/24.09.2020, the President of the Patent Office, together with employees of the Ministry of Interior, Sofia, carried out actions for the transfer by the District Police Directorate of the Ministry of Interior, Sofia of goods/products subject to violation and physical evidence, taken away in favour of the state.

- The number of destroyed goods/products and physical evidence for 2020 is **2400** in total.
- Some of the initiated administrative criminal proceedings also concern infringements of the rights of owners of registered trademarks of US companies, such as Nike Innovate C.V., CALVIN KLEIN TRADEMARK TRUST, The Polo/Lauren Company L.P., Lucasfilm Entertainment Company Ltd. LLC and Marvel Characters, Inc.

During the inspections, goods were seized, which carried the logos of these brands, and they were handed over to the Ministry of Interior for destruction.

Customs Agency

In 2020, the Bulgarian customs authorities made active and targeted efforts to improve the effectiveness of customs control to prevent the introduction of counterfeit and pirated goods into the EU.

In 2020, a total of 1442 applications were submitted by the holders of intellectual property rights, requesting the intervention of the customs authorities to suspend goods subject to copyright infringement, registered trademarks, designs, etc. Among these, the European Union applications are a total of 1353, of which - 1352 submitted through the customs administrations of other Member States of the European Union, and 1 approved by the Bulgarian customs administration. The Bulgarian applications submitted to the Customs Agency and approved by it are 89.

In 2020, specific actions of the customs authorities to prevent IPR infringements, namely the seizure of counterfeit goods, were taken in about 1020 cases. This is 57.5% more than in 2019, when they were 647. Each case may include products from different product categories and of different brands.

Seizures of goods carried out in 2020 according to the type of goods and the trademark are 6985 (by 139% more than in 2019), as a result of which the total number of seized items amounts to over 2 100 000. The actions taken to prevent violations in the import of goods are 54% of all cases, 42% are the cases of inspections of goods passing in transit through the Republic of Bulgaria and going to other countries, and 3.4% are the cases connected with warehousing and export of goods. In 65% of the cases the goods were seized in passenger traffic (mainly by passengers in buses from Turkey), and in 35% - in commercial traffic.

In 2020, the main countries of origin of counterfeit goods are again Turkey, China, Hong Kong, the United Arab Emirates, etc. In 80% of all cases the seized goods were brought on the territory of Bulgaria by road transport, in 4% of the cases - by sea transport, and in 16% of the cases by air transport, by post or express courier.

Concerning all seizures by type of trademarks and goods, in 14% of the cases the measures for protection of intellectual property rights were applied at the initiative of customs officers (ex-officio), and no requests were submitted by the right holders.

The most frequently seized goods in 2020 were clothing and clothing accessories (hats, scarves, belts), perfumes and cosmetics, toys, games and electronic consoles, bags, wallets, purses, shoes, mobile phones, parts and accessories for them, glasses, watches, etc.

Despite the epidemic situation and the emergency measures imposed due to COVID-19, the customs authorities have been actively involved in international operations to prevent the trafficking of counterfeit goods over the past year, in particular:

- Operation SILVER AX V - conducted at the initiative of Europol and aimed against the spread of **illegal and non-compliant to standards pesticides**.
- An operation to combat the trafficking of counterfeit goods - Pangea (PANGEA XIII), aimed against the illegal trade in **medicinal products**.
- Operation OPSON IX and OPSON X - focused on the spread of **counterfeit food and food products, including beverages in the EU**.
- Operation LUDUS, aimed against the distribution of counterfeit and non-compliant to standards **toys**.

The more interesting cases involving the work of the customs officers are the following:

- Ministry of Justice Varna-West – on 09.10.2020, in a container from China selected by the method "Risk Analysis", 11 000 counterfeit hookah products/parts were found, placed in 95 cartons with the picture and verbal image of the brands KALOUD, SAMSARIS VITRIA II and LOTUS on the packaging and on the products.

- In December, again in a container, 221 040 lollipops were found with picture images on the packaging resembling the OREO trademark. After an analysis by the right holder, it was confirmed that the goods were counterfeit and they were destroyed.
- In February, nearly 17 200 textiles goods, imitation of world-famous brands were seized in the area of Kapitan Petko Voyvoda border checkpoint. During the subsequent physical inspection of the vehicle, the customs officers also found concealed materials for hookah tobacco packaging, 9400 labels and packages of various cuts, as well as 6 kg of polyethylene tapes.
- During inspections of the internal borders on 28.05.2020, around the Vidin border checkpoint Danube bridge "Vidin Calafat", an inspection of a truck leaving the country was carried out within the framework of the mobile customs control. As a result, 30 pallets were seized, containing cut cigarette packs bearing the LM logo. On 18.09.2020, again around the Vidin border checkpoint, 2 pallets were seized, with 28 boxes in each of them - a total of 56 boxes, containing 188 160 pcs. of cigarette packs with the Marlboro logo.
- In October and November, a total of about 10 tons of corcofan (cigarette paper) with the logos of MAYFAIR, ROTHMANS, PALL MALL, MARLBORO, WINSTON and KARELIA were seized.

The standard procedure to destroy goods, which was introduced in 2014 (with the consent of the right holder and the owner of the seized goods without proving the fact of the violation) provides an opportunity for a speedy closure of cases. Thus, last year, about 85% of the seized items were destroyed. A clearer picture of the results can be obtained from the following data:

Results of seizure actions in 2020 in absolute terms:

Results of seizure actions	Number of items
Destruction of goods by standard procedure	1 820 909
Criminal or administrative-criminal proceedings	952
Release of goods due to lack of actions by the right holder	126 080
Original goods	87 875
Out-of-court settlement	65

In 2020, the Bulgarian government continued to pay special attention to the protection of intellectual property rights - copyright and industrial property. The activity of all competent authorities points to the higher level of protection of intellectual property in 2020 in Bulgaria.

The summary information presented above reflects the achievements in 2020 in the field of IPR protection in Bulgaria.